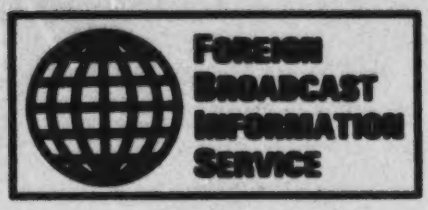

Daily Report

East Europe

FBIS-EEU-95-007
Wednesday
11 January 1995

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Daily Report
East Europe

FBIS-EEU-95-007 *11 January 1995*

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Contact Group Officials To Visit Region 11 Jan

AU1001204395 Paris AFP in English 2024 GMT 10 Jan 95

[FBIS Transcribed Excerpt] Paris, Jan 10 (AFP)—Senior officials from the five-nation "Contact Group" on Bosnia agreed to travel to the region Wednesday to renew attempts to persuade the warring partners to accept their peace plan, taking advantage of a four-month truce there.

French diplomats said after a meeting here Tuesday that the officials would embark on a trip to Belgrade, Zagreb, Sarajevo, and Pale "without delay... to seek the acceptance of their peace plan as a starting point for negotiation" on a global resolution to the conflict.

They would leave Wednesday for the region, the diplomats said. Their exact itinerary was unclear. [passage omitted]

Croatian Ambassador Views 'Crisis' in NATO

95BA0074A Zagreb VJESNIK in Serbo-Croatian 29 Nov 94 pp 4-5

[Interview with Hijadet Biscevic, Croatian ambassador to Turkey, by Ivan Sabic; place and date not given]

[FBIS Translated Text] *The dramatic events in western Bosnia, with yet another humanitarian disaster in the offing and a very dangerous potential impact on the overall strategic balance of power concerning the objectives of Serbian expansionism, are evoking contradictory reactions in the international community, but a sense of general frustration seems to be dominant. In view of Turkey's exceptional activity and involvement in resolving the crisis up to this point through diplomatic activity, support for the Washington agreement, participation in NATO's air and naval activities, and the role of Turkish forces within UNPROFOR [UN Protection Force], we tried to learn in an interview with Mr. Hidajet Biscevic, Croatian ambassador in Ankara, the Turkish reactions to the most recent events, but also to shed light on a broader range of questions arising out of recent events.*

[Sabic] There could be no doubt that the most recent development in western Bosnia would evoke special reactions from the Islamic world. As a member of the Islamic Conference, but also a member of NATO, as a state that aspires to join the European Union [EU], but at the same time has specific relations with Russia, and finally, as a country that is itself literally surrounded by hotbeds of crisis, Turkey has certainly been experiencing recent events in a specific way?

[Biscevic] You are quite right. Turkish "loyalties" are divided because it must, and wants to, take into account the view and also the good opinion of the Islamic world, but at the same time it must also be concerned about reactions in certain European capitals where it also wants good relations because of its interest in joining the EU. At the same time, as a member of NATO and one of the most reliable and loyal partners and allies of the United States in the time of the Cold War, it must remain, and wants to remain, on the line of U.S. policy, because this is the essential guarantee that its relations will be regulated with the exceedingly crisis-ridden encirclement of the southern Balkans, the Middle East, the Caucasus, and central Asia, especially where direct conflicts are occurring between Turkish national interests and interests of state on the one hand, and Russia's marked territorial ambitions on the other.

In that light, then, Turkey perceives the most recent events with a sense of utter frustration. On the one hand because of the clear moral disaster of the West, on the other because of the assessment that different intentions are concealed behind the Russian diplomatic constructiveness in the Balkans, intentions that the United States has perhaps already failed to recognize in good time.

I understand my hosts completely, and I think that the same feeling is shared not only by all honest men, but also by all farsighted politicians and diplomats able to see the ultimate price of this policy, which has gone on for several years now, and which towards Belgrade and the Croatian and Bosnian Serbs is actually based on an extremely simple premise that is disastrous to the interests of the West. On the belief, that is, that the so-called thaw of international relations, that is, a kind of "new detente" in the name of what is idealistically called the New Order, in which the former East and West are supposed to share the same values, in which there would no longer be any so-called Jews, in which "general cooperativeness" of democratic forces would be born, and in which it would ultimately be possible for a constitutionally transformed Bosnia-Herzegovina to survive... a belief, that is, that all of this can be accomplished by giving in, backing off, and flattering Russia and its epigones, that is, Serbia. And as we see, processes are going in exactly the opposite direction—instead of cooperation, there is growing confrontation, instead of a trans-European geopolitical pluralism, the trends toward a new bipolarism are becoming stronger, instead of devotion to the same values, there is more and more evidence of division....

New Lines of Separation

[Sabic] Turkey obviously does not believe in that approach; what, then, is the Turkish view of current open divisions within the international community concerning the approach to the crisis in Bosnia-Herzegovina and Croatia?

[Biscevic] Unfortunately, the last four years have dramatically demonstrated the degree of cynicism, political unscrupulousness, diplomatic hypocrisy, and military ruthlessness with which the Belgrade regime, its puppets in Croatia and Bosnia, but also their partners and collaborators, conscious or unconscious, among the European powers, have been taking advantage of that kind of "democratic illusion" of the West, which even

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borders on naivete, and how high a price Croatia, Bosnia, but also other countries are paying for the excessively euphoric optimism that there would no longer be a divided Europe, that there would no longer be lines of separation, and so on. Everything that is happening today, from the Baltic to Bihac and from Bihac along the Drina to the south of the Balkans, and indeed all the way to Nagornyy Karabakh and Chechnya, is actually nothing other than a dogged struggle precisely for that new line of division.

For all those reasons Turkey has actually been the only NATO member that has supported the United States with full strength and conviction in the direction of effective rejection of the Serbian aggression. In spite of the clear difficulties of its own position, then, especially with respect to the EU and Russia, Turkey has taken its stance on a principled policy and on legality as the only realistic basis for resolving the crisis.

All the rest is yielding to aggression. In short, Turkey is also disappointed with the behavior of some of the European countries, France and Great Britain above all—because in Turkish political history Russia and its policy have been taken anyway as a kind of "inevitable necessity."

That is why they speak openly here about a policy of capitulation on the part of some European capitals.

[Sabic] And what is your opinion?

[Biscevic] I must say that I personally share that opinion, and I believe that the dramatic nature of the moment makes an open discussion simply imperative—the logic of retreat, which comes out of the historical experiences of Chamberlain and Petain, regardless of whether today it is expressed through the well-known presidential visit to Sarajevo before the first possible bombardment of the Serbian forces, or the confusion of the "special emissaries" already dumbfounded by Serbian ruses, or again the self-assurance of the UN commander, who is actually issuing the cynical message that 7,000 French and British lives are more valuable than 200,000 Muslim or Croat lives... in the final analysis, then, that kind of logic can actually be disastrous only for its authors.

That is, even today Paris and London should be wondering what interest they have in Serbian long-range missiles being installed tomorrow in Bihac, what kind of interest they have in their appearing at all, then, in the heart of Europe and being manufactured, as we all know, in Russia, just as even today they should be asking what interest they have in Russia reaching the Mediterranean via Serbia, what interest they have in allowing Russia to make up for the loss of central Europe in the Balkans and the Caucasus.

Bihac as a Warning

[Sabic] In such a situation Croatia's relations with Turkey, then, assume a very important, if not strategically decisive, place?

[Biscevic] There is no doubt. I want to emphasize at once that just as Croatia recognizes the confused tangle of interests that Turkey must be mindful of for the sake of its own state security, so Turkey recognizes how confusing the Croatian position is.

That is why those I talk to, for example, have been expressing the conviction more and more openly that there will be no permanent solution to the crisis so long as political negotiations are seen as the only option. But at the same time they know that Croatia must weigh things well if it is not to be drawn into a war in which the international circumstances are still not sufficiently favorable. And along with all our frustrations, that is what Bihac has confirmed, demonstrating the true state of relations in the international community at this moment.

It is quite clear that Croatia must be exceedingly careful not to "fall" into the gap between the two coalitions that are already almost completely formed on the international scene and must know, as so many times already in its history as a nationality and state, how to choose and take the side of the victorious coalition—I say this out of a conviction that the denouement is still very far off and there are still many phases and battles that lie ahead. Croatia, then, together with its closest allies and partners, must continue to act to achieve a favorable international environment.

It is in that context that the other day, through a direct communication at the highest level, Turkey supported all the Croatian commitments that have been expressed, confirming its readiness to offer help.

[Sabic] What kind of help can be spoken of here?

[Biscevic] Above all, still stronger efforts to overcome the division in the international community, because it is clear that it is that division, which is manifested in NATO, in the relationship between the UN and NATO, and certainly in the relationship between the United States and Russia, that is making it possible for Belgrade, seemingly outside the conflict, to continue to pursue successfully the strategy of Serbian expansionism.

But at the same time also through efforts to bring this entire process back into the framework of principle and legality and for Croatia to also be a part of those efforts. With Bihac, that is, the Serbian side, with the direct or indirect yielding of some of the European powers, has actually trampled on all the rules and the entire framework in which a solution has been sought up to now. You see, instead of remaining firmly on the principles of the so-called Contact Group plan, including the determination expressed publicly until recently by all five members of the group, to compel the Bosnian Serbs to accept the plan—through isolation, pressure, and so forth—the international community has been left helpless in the face of their refusal, continuation of the war has been the inevitable consequence, and the Serbian entry into

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western Bosnia has vitiated the efforts of the international community to find a political solution.

The Moral Shame of the International Community

[Sabic] Does this mean that the crisis in Bosnia-Herzegovina will be resolved by force of arms?

[Biscevic] It is incontestable that there is no military solution for the crisis in Bosnia-Herzegovina and the only lasting possibility is a political compromise of real interests and of all three nationalities and all the international factors involved—but, precisely because that is the case, it is astounding when the military actions of the Bosnian Muslims are criticized or Croatia is restrained by those capitals that for four years have willy-nilly been making it objectively possible for Serbia to impose none other than military solutions and to destroy every new political plan. This is where objectivity ceases, cynicism begins, and one suspects collaborationism.

[Sabic] You speak of a need to return the search for a resolution of the crisis to the political framework, although Bihac has made it increasingly evident that the political formula of the so-called Contact Group we have had up to now is being destroyed?

[Biscevic] Let us be frank; everything that departs from the framework of international principles and legality—and in the entire course of the crisis and through all the Scyllas and Charybdises of the so-called peace process we have already strayed quite far from the framework of legality and principles—leads to acceptance of the aggressor's logic, whether we like it or not. It leads to the situation of negotiating with terrorists, but everyone knows that there is no end to that, since one case of blackmail is always succeeded by a new threat and higher demands. Today a million dollars and an airplane, tomorrow two million, today Vukovar and the Vance Plan, tomorrow Bihac and the collapse of the peace plan of the Contact Group....

That is why I think we should speak openly about the immeasurable moral shame and political betrayal of a segment of the international community, and an unprecedented decline of civilization. What is more, this is now the third time in this century that Europe has experienced this, so that the questions run much deeper, and, as Willy Claes, NATO general secretary, has rightly said with "brutal" honesty, the issue is no longer confined to Bosnia at all.

Is the United States going to swim the Atlantic once again to save Europe from the Europe of shame? How farsighted are certain statesmen when they believe that on the pretext of "holding back" Germany, they need to allow Russia to be transformed from a ruined power not only into a partner, but even into an arbiter in European affairs? How will the Western allies justify the fact that the defunct Warsaw Pact, taking advantage of the crisis in the Balkans, has begun to shred even the Atlantic Alliance? What in this case is left of the mechanisms and instruments of international security? What will the authors of the thesis that a so-called Orthodox axis needs to be created from Moscow via Belgrade to Athens in order to "thwart" the so-called Green Transversal, on which their support of Belgrade is largely based...what will they say tomorrow when the consequence of their policy is that Islamic fundamentalism actually crosses the shores of the Mediterranean and when instead of an axis of moderate states, from Turkey to Egypt, the relationship of the Islamic world toward Bosnia and Croatia is influenced by an axis of extremism? How will the United Nations celebrate its 50th anniversary other than by commemorating the fact that the indisputable humanitarian efforts of thousands of men of good will are being used as a cover for aggression, and peace plans are becoming a framework for continuation of occupation? How, in other words, will the United Nations avoid the fate of the League of Nations—and today we are dealing literally with the fact that the world is again confronted with the real danger of the complete breakdown of the entire international institutional order! How, finally, will NATO be credible tomorrow to the many states which have just gotten out from under the grip of Russian totalitarianism and which are not persuaded by the notorious Partnership for Peace that they are safe from renewed Russian aspirations, if it is unsuccessful in even protecting two internationally recognized states, on whose fate the entire future geostrategic and security configuration of Europe depends enormously?

Those are the most difficult and important issues, and it is only by the response to them that one can measure not only the maturity of statesmen, but also the moral honesty of all those involved in the crisis.

The Responsibility of the U.S. Administration

[Sabic] The development of the situation in the Bihac area is directly bound up with implementation of the Washington agreement and creation of the Federation and its envisaged confederal linkage to Croatia. How in that light do you see possible future events?

[Biscevic] After the Serbian rejection of the Contact Group plan and after what amounted to the retreat of the international community, there was undeniably a new development and new assessments, even on the part of the Federation. A struggle to define new military-territorial baselines for the next new rounds of negotiation was inevitable, and from the standpoint of the Bosnian Croats and Bosnian Muslims it was a justified and legitimate consequence of the Serbian rejection of the plan.

In the background, then, even after Bihac, it is actually a question of defining a new strategically tenable and realistic territorial arrangement that could be the basis for complete accomplishment of the Federation, but also for its gradual linkage to Croatia, so that on that basis it would be possible to bring about a new regional order, including its role in the overall definition of future relations between the West and Russia. That process is

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far from over, and one should not doubt that the efforts, both political and military, will continue in the coming weeks and months.

[Sabic] What is your view of the role of the United States?

[Biscevic] There is no need for particular emphasis on the role and responsibility of the United States in this context. The United States, certainly not without quite far-reaching views as to the future arrangement of this part of Europe, and certainly not without being mindful of relations between the West and Russia, is the author of the Washington agreement. This puts immense responsibility on the U.S. Administration and its partners interested in setting up the Federation, including Turkey.

I think, then, that the upcoming meeting of the three foreign ministers in Zagreb, our own and those of Turkey and Posnia-Herzegovina, will be extremely important, as will the upcoming talks of our military experts.

[Sabic] What, then, can we expect in the coming period from the U.S. Administration?

[Biscevic] As I said, the United States bears particular responsibility for carrying out the project of the Federation and confederation. Since this is one of the most important elements in establishing the new European order, the credibility of U.S. policy is being put to the greatest test.

I therefore believe that the moves of the U.S. Administration up to now and in the future will be clearly directed towards preserving and strengthening the Federation, including maintenance of the Federation as a strategic option for Croatia and the Bosnian Croats, especially under the circumstances of possible vacillation after Bihac.

That is, it is clear that we need to be mindful of the overall balance of power and dangers to Croatia that would follow from hastily joining the not uncommon examples of Bosnian-Muslim "easy promise of fast results," as shown in the example of Bihac. But as to thejoint action of the Croatian and Bosnian Serbs, I do not believe that it would be wise at this point for us to say that "this is not our war."

All of this puts even greater emphasis on the need for joint activity of the forces of the Federation, with still stronger pressure on the international community to reconcile interests.

[Sabic] Nor, of course, are the Islamic countries without an interest in events in Bosnia-Herzegovina?

[Biscevic] In that context, along with the upcoming meeting of NATO ministers, the upcoming summit meeting of the Organization of the Islamic Conference in Rabat in early December also seems particularly important to me. At a time when the United Nations is not respecting and is not implementing its own Charter nor a single resolution adopted concerning the crisis in Croatia and Bosnia, at a time when Europe has shown its readiness to give up a policy of principle for a policy of yielding to aggression, at a time when Russia is taking advantage of that balance of power, and at a time when the United States faces one of the most serious tests of its international credibility precisely over the question of Croatia and Bosnia-Herzegovina, it seems to me that the Islamic world, as the fourth unavoidable factor, has particular responsibility.

For example, if Serbia is allowed to constantly demonstrate that the UN resolutions are worthless, then the Islamic countries will certainly want to confirm that under those circumstances those restrictive UN resolutions that threaten the right of self-defense of Croatia and Bosnia-Herzegovina are not valid either. We should also take into account the frustrations of the Islamic states and take note of all the dramatic dangers of a possible uncontrolled process, of a torrent of so-called volunteers, and so forth. That is why I believe that the summit meeting in Rabat must return the West to principles and international laws in its overall approach to the crisis and to seeking by political means on that basis a compromise of real interests of all the participants in the crisis, from those in the region to the great powers.

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Havel Comments on Chechnya, NATO Membership

LD1001184395 Prague Radiozurnal Radio Network in Czech 1700 GMT 10 Jan 95

[FBIS Translated Text] President Vaclav Havel commented today on the situation in Chechnya. Eva Hulkova reports:

[Hulkova] President Havel said this evening that the international community had initially been hesitant with its response because it is clear that Chechnya is a part of the Russian Federation and that the central authority has the right to protect the integrity of the country against a self-styled army. Nevertheless, the doubts of the international community, including those of the president, about the way the intervention was undertaken increased every day, he said. Now it turns out that the action was apparently very badly thought out and dangerous, and it could have many negative consequences.

President Havel described as shocking the number of civilian victims. He expressed his firm belief that the Russian side will understand that the only way out is through political negotiations. Vaclav Havel added that the situation in Chechnya could influence the NATO position on our membership because, as the president said, until now it had been casting a very close eye at Russia's opinion on this issue and was perhaps a little too trustful. It is to be hoped that those countries will now better understand why we are seeking NATO membership, President Havel said.

Holan Links Chechen Events, Joining NATO

LD1001151495 Prague Radiozurnal Radio Network in Czech 1100 GMT 10 Jan 95

[FBIS Translated Text] Ivan Hola, a correspondent for Czech Radio in Brno, asked Czech Defense Minister Vilem Holan for his views on the situation in Chechnya.

[Begin recording] [Hola] I think one can say that a big army such as the Russian Army has more or less failed. It has become necessary to involve a greater number of forces, and the whole operation is continuing for much longer than expected. Does this mean that the Russian armed forces are no longer what they used to be?

[Holan] I think we can draw one conclusion—the power of resistance, even the resistance of a small country. Some say that our Army is small, so what can we do against strong enemies if something happens? Here we have a wonderful example of how a small army, or small forces, actually manage to complicate the lives of large forces.

[Hola] Do you think this Russian failure can play a positive part in admitting new members to NATO?

[Holan] I think that throughout recent history, including this situation in Chechnya, all those who have any say about these matters have come to realize that it is necessary for the Central European countries to become a part of NATO. [end recording]

Army Transformation to Brigade System Continues

AU1001165895 Prague HOSPODARSKE NOVINY in Czech 4 Jan 95 p 2

[Article by "bak": "More Brigades in the Army"]

[FBIS Translated Text] Prague—Some of the last mechanized brigades transformed from the former divisions are being introduced into service by the Czech Republic Army. Today, the service of the 6th Mechanized Brigade based in Brno is to begin festively, and on 6 January that of the 7th Mechanized Brigade in Kromeriz. The last one will be the 8th Mechanized Brigade in Valasske Mezirici, which was originally supposed to start working at the end of the year but is going to begin as early as 1 July 1995. The Defense Ministry Press Service told this to HOSPODARSKE NOVINY. This should conclude the transformation of the ground forces into the brigade system.

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Meciar on Proposed Changes to System

AU1001170995 Bratislava PRAVDA in Slovak 27 Dec 94 pp 1, 3

[Article by Rado Stevcik: "The Program Will Be Released in January"]

[FBIS Translated Excerpt] Following the 23 December meeting with the citizens of Zilina, government representatives also met with reporters. Prime Minister Vladimir Meciar answered all of the questions except one. He announced that the Government of the Slovak Republic is beginning to work on its program and intends to present it to the public by mid-January. Work on the state budget is also starting. [passage omitted]

Prime Minister Vladimir Meciar answered the following questions asked by PRAVDA:

[Stevcik] You and some of your colleagues have repeatedly stated that the presidential system is preferable for Slovakia and that, as a result, you will attempt to change the political system in the country. When will you attempt this change? Do you already have a candidate for the highest post in this system?

[Meciar] Oh, everybody and his dog has a candidate. We do not yet. The government power is built on dependence on parliament. The citizen chooses the parliament, and the parties delegate their representatives to the government according to the distribution of power in parliament. That is normal. In a stabilized society, social security is stabilized and so are the political bodies. Wherever this stability does not exist, the smallest tremble in parliament results in the fall of the government. We are not discussing the presidential system and its alternatives now but, rather, how to stabilize society so that the government is not permanently doubted and falling. Every change of government has a serious economic impact. The only solution is to adopt a different model of the relationship between the executive and the legislative powers. The legislative power would be elected by the citizen and the executive power by the citizen. While links would exist between them, they would both be responsible to the citizen. Parliament would approve the government's budget, monitor that its conduct corresponds to the legal system, and exercise control, but could not recall the government. Another feasible system is that parliament would directly elect the prime minister. As soon as it passed a no-confidence vote in him, new elections would immediately have to take place. This means that parliament would become dependent on the stability of the government. At present, parliament could not care less whether there is or is not a government—or what kind of government it is. There are no instruments for the protection of the executive power. If we do not want to be in a permanent government crisis, we must do something about it. The presidential system is one of the ways out under discussion. It works in the United States, and de Gaulle did something similar by adopting a new constitution in France. What it would be like is still open to discussion. Our system would also work if everybody acted according to the Constitution. It is the assumption of superrights that is causing the present system to fail.

[Stevcik] You said that the political position of the parties and the system of their financing must be reassessed. What will this mean in practice, and how do you imagine the position and financing of the political parties?

[Meciar] It really is difficult because the parties have a law now that has its shortcomings. Their relationship to the state has not been established, and the questions of financing have not been settled at all. A party cannot have its own revenue or its own gainful employment. Therefore, every party raises money in other ways, but the state has nothing to do with this, and not even God knows whose money goes there. This must be sorted out.

[Stevcik] Do you believe that some kind of historic society-wide reconciliation can take place here that would unite all of the forces for the benefit of the country?

[Meciar] There will be no historic reconciliation as long as there is no goodwill on all sides. Can there be a historical reconciliation when Carnogursky is fortifying his positions and says: I will oppose, definitely oppose, and will not work, no way that I will? It is impossible. I have visited him. I went there even though we had won the elections, and I went there to establish some rapport. But there is no interest. We went to the Party of the Democratic Left and some indicated a willingness to cooperate, but it is the willingness precisely copied from 1992. They would not commit themselves. What is it for? The Hungarian [ethnic] parties are playing dead. At the same time, we must reach an agreement with them because both the Hungarians and we need the Hungarian-Slovak treaty. Otherwise, the financial flow will stop. We all speak about the need for reconciliation, but, though I made an accommodating gesture to the president, he did not respond. I went to see him in a situation where I did not have to. I have not dictated any conditions even in the postelectoral situation. I did not attend the talks of the political parties and have offered the post of prime minister to each party that would join the coalition. I told those who were in the cabinet that we would keep them. They refused. So I went to the cabinet, but they did not want that, either. If there were a qualified opposition, we would welcome it. To these attempts to destroy, however, I say: This is enough. A redistribution of power is taking place behind the scenes. It is not a normal phenomenon that such an opposition as ours has formed. Do they have a joint program? No. Do they have a joint ideology? No. Do they have common interests? No. They have a common enemy. That is what unites them. This enemy is Vlado Meciar. Can you show me where else a coalition of political parties has formed on this principle? Thus, you can contribute to this orientation. It is possible not to

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attribute such a significance to words uttered by someone. They are not important; deeds are what matter.

Kozlik: Policy To Fulfill Stabilization Strategy

LD1001201395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 10 Jan 95

[FBIS Translated Text] The Slovak Cabinet met in Bratislava today at its fifth regular meeting, chaired by Prime Minister Vladimir Meciar. The most important point of the session was discussion and approval of the government policy statement for the coming four years. Anna Samelova reports from the news conference following the government session:

[Samelova] Sergej Kozlik, deputy prime minister and minister of finance, stressed at the beginning that the policy statement was conceived by the government for four years as a comprehensive long-term policy for all the important spheres. Kozlik said:

[Begin recording] We consider this program new from the point of view that, after the four-year period of the restrictive and stabilization policy, this policy will have the ambition to fulfill the developmental and stabilization strategy of the Slovak Republic with a priority use of domestic potential but naturally also a purposeful use of foreign investment. [end recording]

[Samelova] Kozlik went on to specify the basic macroeconomic parameters of the government policy statement. But he again said that a four-year time horizon was in question.

[Begin Kozlik recording] We must try to maintain the economic output and make it more dynamic so that the average annual rate of growth of the gross domestic product might reach 5 percent, the unemployment rate will be reduced gradually to under 10 percent, the annual inflation rate of 10 percent will not be exceeded, and the prerequisites will be created for its gradual reduction. We must also try to keep the positive development in the balance of payments and, by means of foreign currency reserves, to create the conditions for transition toward complete convertibility of the Slovak koruna; to keep the proportion of the state budget deficit to the gross national product, according to the methods of the International Monetary Fund, up to 3 percent with the falling trend; and to maintain the overall indebtedness of the state in the range comparable with the criteria of the European Union, and to gradually reduce it. [end recording]

[Samelova] Answering a question concerning microeconomic parameters, in particular regarding the relation of the government toward businesses, Kozlik said that the Cabinet did not consider an increase of taxes in its policy statement. On the contrary, for the purposes of support of business activities, it anticipates their selective reduction.

State Secretaries, Ministry Office Heads Named

AU1001173495 Bratislava SLOVENSKA REPUBLIKA in Slovak 4 Jan 95 p 1

[TA SR report: "Decrees of Appointment"]

[FBIS Translated Text] Bratislava—Prime Minister V. Meciar presented decrees of appointment to five state secretaries and six heads of ministry offices at the Office of the Slovak Government yesterday. The decrees of appointment were presented to: Engineer Peter Adamec and Engineer Marian Vrabec, state secretaries at the Ministry of Transportation, Communications, and Public Works; Dr. Vojtech Tkac, state secretary at the Ministry of Labor, Social Affairs, and the Family; Engineer Marian Mojzis, state secretary at the Economics Ministry; and Associate Professor Dr. Jan Prislubsky, state secretary at the Environment Ministry. The six heads of ministry offices are: Engineer Viktor Spakovsky (Ministry of Transportation, Communications, and Public Works); Dr. Helena Kozikova (Ministry of Labor, Social Affairs, and the Family); Engineer Antonin Kuric (Ministry for the Administration and Privatization of National Property); Engineer Jaroslav Rolko (Agriculture Ministry); Associate Professor Engineer Stanislav I. Simoncic (Health Ministry); and Dr. Milos Kaan (Justice Ministry).

Old Loyalists Absent From New Government

95CH0085A Prague PRAGUE POST in English 20 Dec 94 p 1

[Article by Victor Gomez, Kathleen Knox, and Ross Larsen: "Slovakia's Odd Bedfellows"]

[FBIS Transcribed Text] Even Prime Minister-designate Vladimir Meciar admits that it won't be easy to sell his new government abroad.

The coalition cabinet that was expected to be approved by Slovak President Michal Kovac December 13 includes elements of the country's far left and far right, as well as supporters and opponents of both privatization and European integration.

"I know that this government will not evoke a good impression abroad, but we will change that very quickly with our actions," Meciar said, adding that he would continue to push for Slovakia's entry into NATO and the European Union.

The nominated cabinet contains surprisingly few long-term Meciar loyalists or veterans from his previous cabinet. Some observers say less controversial figures were intentionally selected to avoid further confrontation with the political opposition.

Members of the Slovak National Party (SNS), the most nationalist and xenophobic party in parliament, were appointed to head the ministries of education and defense.

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Education minister nominee Eva Slavkovska, who is also deputy chairwoman of the SNS, once called on all Slovaks "to say a definite no to Slovaks becoming a minority in south Slovakia." The southern part of the country is home to a large population of ethnic Hungarians.

SNS Chairman Jan Slota described it as a tragedy that Hungarians in Slovakia have their own political parties. He also virtually denied the existence of the minority in one political speech. "In reality, they're just 200,000 forcefully Hungarianized Slovaks and 300,000 Gypsies."

The cabinet selections will also do little to ease doubts about Slovakia's commitment to economic reform. Members of the left-wing Association of Slovak Workers (ZRS) were appointed to head several ministries: justice, Jozef Liscak; privatization, Peter Bisak; and construction, Jozef Mraz. Jozef Kalman was also nominated as a deputy prime minister.

ZRS Chairman Jan Luptak said at a press conference December 10 in Banska Bystrica that his party favors a slowdown in privatization and a re-evaluation of the National Property Fund's property sales. Meciar's parliamentary majority has already moved to reverse several privatization projects approved under the previous government.

He said the ZRS wants to revive Slovakia by strengthening the construction industry, even at the cost of increasing the state budget deficit. He added that National Property Fund sales shouldn't be used to cover debts.

In one of the more bizarre episodes surrounding the announcement, Luptak refused to allow reporters from three newspapers, SME, NOVY CAS and SMER DNES, into his press conference, suggesting they take their complaints to the Ministry of Justice, which his party will control.

Meciar's own party, the Movement for a Democratic Slovakia (HZDS), will hold the following positions: prime minister, Meciar; deputy prime minister, Katarina Tothova; deputy prime minister and finance minister, Sergej Kozlik; foreign minister, Juraj Schenk; minister of economy, Jan Ducky; minister of agriculture, Peter Baco; minister of labor, Olga Keltosova; minister of environment, Jozef Zlocha; minister of interior, Ludovit Hudek; minister of culture, Ivan Hudec; and minister of health, Lubomir Javorsky.

"Until Tuesday, I was refusing to be the prime minister of this government," Meciar said December 11. He claims to have finally bowed to the decision of the HZDS leaders who insisted that a government headed by him had a better chance of survival.

In another strange twist, the HZDS said it would name a "shadow cabinet" that will start acting simultaneously with the official government. The cabinet "will represent an alternative to political decisions," Meciar said. "I have even chosen (a shadow prime minister)," he told Slovak Radio December 11, "but he has yet to prepare for his task."

Luptak has rejected Slovakia's entry into NATO and the EU and sees the West as a menace that would reduce Slovakia to a colony. The ZRS does not support rapid economic reform, stating that reforms have only brought hardship for Slovak workers. "What is economic reform when people's standards of living are going down?" asked Luptak.

Meciar said that the government would soon decide what areas would be privatized, emphasizing that the banking and energy industries will remain in the hands of the state for the next few years.

Duray Criticizes Hungarian Foreign Ministry

AU1001173695 Budapest NEPSZAVA in Hungarian 5 Jan 95 pp 1, 9

[Interview with Miklos Duray, head of the Slovak Coexistence Movement, by Ferenc Kepecs; place and date not given: "Government Offices Look at Different Ways"]

[FBIS Translated Text] [Kepecs] How do the ethnic Hungarians living in the neighboring countries evaluate the activity of the Horn cabinet?

[Duray] We were pessimistic about the government change before the election held in May because, on the basis of the views that emerged, we came to the conclusion that the change in the government would have a negative effect on relations between official Hungary and ethnic Hungarians living abroad. Then, as a result of the change in the rhetoric of the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] and especially as a result of the government program, we began to calm down. We noticed the continuity. The Office for Hungarians Beyond the Borders, an office with which we have had good relations in the past, not only continued but also increased its activity: It set up a department in charge of accelerating economic ventures and economic life in general.

[Kepecs] Is Hungarian foreign policy adequately serving the interests of the ethnic Hungarians in Slovakia?

[Duray] At its founding, the Horn cabinet got into a totally unfounded euphoria regarding the possibility of improving relations with Slovakia soon and signing the basic treaty. We firmly criticized this position at the time, and we also demanded to be included in the negotiations. The Slovak Government did not even bother to answer us. Budapest, however, said yes. The Hungarian Government sobered up later with Gyula Horn's visit in August. I regard this visit as quite useful, precisely because of this sobering effect.

[Kepecs] What is your opinion about the basic treaty?

[Duray] We ethnic Hungarians in Slovakia are generally not in favor of a basic treaty. We think that professional

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agreements would be much more important. For example, the bilateral cultural and educational agreements have expired, and the recognition of diplomas obtained by ethnic Hungarians in Hungary is extremely difficult here.

[Kepecs] Do you support the renewed recognition of the borders?

[Duray] We support the repeated declaration regarding the inviolability of the borders because this means the rejection of violence. But we do not accept the immutability of borders. There has never been a period in history that justified this principle.

[Kepecs] Do you think Hungarian foreign policy is uniform?

[Duray] During both the previous government and the present one, we have had an unpleasant feeling that there has been no coordination between the Foreign Ministry and the Office of Hungarians Beyond the Borders. It seems to us that the former does not genuinely take into consideration the latter's opinion and our opinion. For example, regarding the basic agreement, we participated in formulating a document that should have been included in the basic treaty. Then, the Foreign Ministry presented the Hungarian draft to the Slovak side but did not show us or the Office of Hungarian Beyond the Borders the extent to which it took our opinions into consideration. Besides, this is a matter of structure and not intention, and structures can be changed.

Police Official Comments on Decline in Crime

AU1001143295 Bratislava SME in Slovak 2 Jan 95 p 2

[Article by "bor": "The Number of Crimes Falls for the First Time Since 1989"]

[FBIS Translated Text] Bratislava—"From the beginning of 1994 to the end of November (the data for December are being processed now) a total of 126,844 crimes were committed. This means a decline of 19,281—or 13 percent—compared with the same period last year," General Jaroslav Ivor, director of the Investigation Bureau of the Police Corps of the Slovak Republic said, and added: "Therefore, certain forecasts have been fulfilled, which predicted that a certain stabilization would occur in 1994 and the crime growth would stop."

According to him, crime has risen by 315 percent since 1989, and, therefore, the number of crimes committed is still very high if compared with this period. One positive sign is, in his view, a moderate increase in the clear-up rate: Of the total crimes committed, 46,771, or 37 percent (36.3 percent in 1993), have been cleared up. During the 11 months of last year, most offenses were property-related, with 99,894 offenses (nearly 25 percent) solved; crimes of violence, with 8,890 offenses (86 percent) solved; and economic crimes, with 6,771 offenses (72.5 percent) solved. "In assessing the development of crime, however, it is necessary to realize that an internal restructuring is taking place. While we used to see simpler forms of crime, there are certain signs now that organized, planned forms are taking over, and that crimes of passion in conflict situations are on the decline. The damage caused by crime is also growing," Jaroslav Ivor added.

Demographic Data for 1994 Released

AU1001195895 Bratislava SME in Slovak 3 Jan 95 p 2

[TA SR report: "[illegible] Year, Slovak Citizenship Was Withdrawn From [illegible]000 People"]

[FBIS Translated Text] Bratislava—At the beginning of the third year of its independence, the Slovak Republic had a population of approximately 5,358,400. A total of 68,400 children were born in Slovakia in 1994, and 51,200 people died. In the structure of the population, according to the statistical key of 1993, citizens claiming Slovak nationality [ethnic Slovaks] represented 85.7 percent (approximately 4,592,000); those claiming Czech, Moravian, or Silesian nationality 1 percent (53,000); Hungarian 10.7 percent (573,000); Romany 1.5 percent (80,400); Ruthenian 0.3 percent (16,000); Ukrainian 0.3 percent, Polish 0.1 percent (5,360); German 0.1 percent, and others or unestablished 0.3 percent. The Interior Ministry last year granted Slovak citizenship to almost 25,000 citizens of the Czech Republic permanently living on the territory of the Slovak Republic. At the same time, the Slovak authorities revoked the citizenship of approximately 300,000 people at their own request.

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Ukraine Transit Fees Halt Oil From Russia

LD1101105895 Budapest Kossuth Radio Network in Hungarian 1000 GMT 11 Jan 95

[FBIS Translated Text] Since Monday [9 January], Hungary has not been receiving oil via the Russian oil pipeline—which constitutes the sole source from abroad. In reply to a question from Hungarian radio, the Ministry of Industry and Trade confirmed the report to that effect in the paper NAPI GAZDASAG. According to NAPI GAZDASAG, the Russians halted oil deliveries because Ukraine doubled the fee for the transit of the raw material sent through its territory.

(Istvan Hadhazi), deputy managing director of Mineralimpex, told the newspaper that Russian oil deliveries have been fitful since the beginning of the year: about one-eighth of what is normal has reached Hungary so far. In any case Mol Rt [Hungarian Oil and Gas Industry Joint Stock Company] has oil supplies sufficient for 20 days, and the strategic reserves will last for one and a half months, NAPI GAZDASAG writes.

Ethnic Hungarian Official Views Minority Policy

AU1001195995 Budapest NEPSZAVA in Hungarian 6 Jan 95 pp 1,9

[Interview with Bela Marko, federal chairman of the Democratic Union of Hungarians in Romania, by Ferenc Kepecs; place and date not given: "Not Everything on One Card!"]

[FBIS Translated Text] [Kepecs] How do you evaluate the activity of the Hungarian Government that has been in office for six months?

[Marko] As is well known, during the elections, certain concerns emerged among the ethnic Hungarians in the Carpathian Basin regarding the foreign policy of the new government. We held consultations with the members of this government in order to dissipate these worries, and I consider these meetings extremely important. The legal status of the Office of Hungarians Beyond the Borders has continued, but I think its weight and role should be further increased. In the wake of negotiations held with the aforementioned office, we set up groups in charge of solving certain concrete problems, such as the basic treaty, national minority issues, scholarships, and economic cooperation. Danube Television continues to broadcast, and I see that the Hungarian Government agrees with the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] on this issue.

[Kepecs] Are you satisfied with the system of support provided to the ethnic Hungarians beyond the borders?

[Marko] The new tangible system began emerging already back during the previous government, and it seems to be finalized now. The important thing is that relevant experts decide on the tenders. A lot of things still await clarification here; and we can definitely not be satisfied with the fact that the budget allocation decreased further in the autumn of last year.

[Kepecs] Are the relations between Hungary and Romania adequately serving the interests of the ethnic Hungarians living in Transylvania?

[Marko] The Hungarian-Romanian dialogue has accelerated and we are glad to see this, provided that there are also concrete results in addition to the nice intentions. Unfortunately, aware of the Romanian domestic policy processes, I must say that I see little chance for such results in the short run.

[Kepecs] Do the RMDSZ and Budapest agree on the basic treaty issue?

[Marko] Even after repeated consultations, there are still differences of opinion as regards the emphasis and terminology—for example regarding the concept of collective rights—and I stress: the concept, and not the content. We agree on important issues, such as on what should be solved in the basic treaty, and how. We do not have such an agreement with Bucharest thus far; therefore, I think that the basic treaty process, a process that has not yet even begun, will be a long one. Thus, Hungarian policy should not put its all on one card, on the future basic treaty. We must also seek other political means to settle the issue of ethnic Hungarians living abroad.

[Kepecs] What is your opinion on the border guarantees demanded by the Romanians?

[Marko] We agree with the Hungarian statements to the effect that peace treaties have already adequately regulated this issue. The existence of borders is a fact at the moment, and no one wants to change that. By mentioning this as an obstacle against coming to an agreement, the Romanian side only wants to distract attention from the fact that the essential differences of opinions lie in the national minority issue, and not in the border issue.

KDNP Chairman Surjan Views Coalition Prospects

AU1001194995 Budapest NEPSZAVA in Hungarian 6 Jan 95 p 4

[Interview with Laszlo Surjan, chairman of the Christian Democratic People's, by Zsuzsa Szep; place and date not given: "Surjan Counts on Competition"]

[FBIS Translated Excerpt] [Passage omitted] [Szep] Does the economy influence politics?

[Surjan] If we take economic interests into consideration, I must say that, unfortunately, the economy does not influence politics. The economic policy carried out by the present government does not serve the interests of the Hungarian economy. If the economic lobbies seriously influenced government policy, the current economic policy would be a pro-ventures policy.

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[Szep] Was the economic policy of the previous government a pro-ventures policy?

[Surjan] We succeeded in starting an economic growth that gave an impetus to this country in many areas. However, the extent of this economic growth was not big enough to affect the elections. The previous government justifiably applied a restrictive economic policy as a first step. This is now unjustified. The economists also agree with the opposition now.

[Szep] The coalition is performing unevenly. How much time do you predict for the cooperation between the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ]?

[Surjan] I do not predict things. Four years ago, the SZDSZ was a strongly anti-left party. Its power interest is the coalition, and beating about outside in order to show its independence. The voters expected a rise in the standard of living from the MSZP; instead, they got inflation and price increases. [Finance Minister] Bekesi is wrong in saying that his way is not the only possible way. Everyone knows that we are now living in times when one should tighten ones belt—but not around our throats.

[Szep] The MSZP and the Christian Democratic People's Party [KDNP] are allegedly negotiating about the KDNP's replacing the SZDSZ in the coalition.

[Surjan] I do not know of any interparty talks. Some MSZP people discussed several options.... The Socialists say that a coalition with the KDNP would be better, but there is no reality to such a scenario. After the victory of the MSZP, a return to the old ways started in many workplaces. People who bear heavy resposnsibility for having destroyed their own jobs in the past decade now want not only their own rehabilitation but also a part of the "cake," of the victory. The MSZP has not done anything against this yet. This means that the party is the old party. Maybe this is not so, but the MSZP should prove that.

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Paper Notes U.S. Report on Low Credit Rating

WS1101123895 Warsaw GAZETA WYBORCZA in Polish 10 Jan 95 p 1

[Article by Jacek Kalabinski from Washington, D.C.: "Poland Unreliable?"]

[FBIS Translated Text] *A new report issued by the U.S. Government states that Poland's credit rating is much lower than that of our neighbors.*

A report published by the General Accounting Office (the U.S. equivalent of our Supreme Chamber of Control) gives us a rating of 37.2 percent, while the Czech Republic is rated at 66 percent and Hungary at 64 percent. Even Slovakia ranks higher at 53 percent.

The authors of the report do not believe in our solvency—we are ranked at the same level as Romania. According to experts, the projected rate of insolvency over the next 30 years is as follows: Czech Republic 17.8 percent, Hungary 20.5 percent, Slovakia 34.2 percent, Poland 54.4 percent, Romania 54.8 percent, Russia 67.6 percent.

The reason Poland ranks so low, according to the U.S. experts, is due to the slowing down of the pace of reforms, which will limit the paying capacity of the Polish Government.

The report was compiled last week, before a meeting to be held in Cleveland. This Thursday and Friday, President Clinton and representatives of 300 U.S. companies will meet with 250 officials from East European countries, from Macedonia to Estonia.

Poland will be represented by Deputy Prime Minister Kolodko and a group of 29 delegates. Only five private businessmen are in the group.

New Terms of Trade With EU Analyzed

MM1001170595 Katowice TRYBUNA SLASKA in Polish 29 Dec 94 p 11

[Article by Karol Rzemieniecki: "All Up to the Producers Now!"]

[FBIS Translated Text] As of 1 January 1995, three-quarters of Polish foreign trade will be bound by new terms of foreign commerce that will be fundamentally important to our economy. It is easy to guess that these new terms will apply to trade with the 15 countries of the European Union [EU], and partly also to the remaining European Free Trade Association [EFTA] countries left after three of them joined the EU. In practice, the new terms will apply to our trade with the whole of West Europe.

It is necessary to state at this point that the interim changes affecting Polish firms involved in trade exchange with West European countries will bring us both advantages and disadvantages, while the long-term changes will be exclusively beneficial.

As of January 1995, our industrial goods exports to the 15 EU countries will no longer be subject to any restrictions, whether based on customs and excise regulations or any numerical restrictions (export quotas!), except for three groups of goods: iron- and steel-industry products, coal- and coke-industry products, and the products of the textile industry together with the clothes—manufacturing industry. Customs tariffs will continue to be imposed on the metallurgical industry and the coal- and coke-industry products for another year, and, in addition, coal exports will be restricted by certain limiting quotas applying in our trade with Germany and Spain. Polish textile goods exported during 1995 to the 15 EU countries will be subject to a reduced customs tariff equivalent to 43 percent of the tax tariff, and, for 18 categories of textile products, additional quota restrictions will also apply. However, when we remember that three EFTA countries—that is, Austria, Finland, and Sweden—which have to date placed few restrictions on our textile exports (or, in Finland's case, even no restrictions at all) are joining the EU, we can clearly conclude that after the next few days our exports of this most important category of goods (which represent more than 12 percent of the total value of Polish exports to the EU countries!) will be conducted on much easier terms than heretofore.

This will mean a general boost in our exports of all of the other consumer goods marked with the "Made in Poland" label—except for the three categories listed above—to the EU market.

It is worth adding here that nowadays even those goods can be labeled "Made in Poland" that are manufactured and exported by "mixed-capital" [Polish-foreign] ventures in which the Polish share of the capital represents 50 percent or more. In this way, we will be able to sell in the EU markets more and more products such as Goldstar television sets manufactured by Polish—Korean joint ventures, and, in the future, possibly even such goods as Hyundai automobiles manufactured in joint production with Poland, or batteries produced at a Polish-Japanese-Dutch enterprise near Gniezno. Furthermore, we will then be able to take advantage of South-Korean or Japanese trade links that are already well developed and well known in the West European market.

At the same time, however, customs tariffs reductions will be introduced from 1 January on the Polish side of the border connecting us with West Europe, and, as a result of this, thousands of our industrial producers will have to face days, months, and years of truth in confrontation with the prospect of increasing competition from Western firms. The bell will begin to toll for all those who would have preferred to wait out or postpone the period of Poland's gradual integration into the EU, or to "dilute" it by putting pressure on the government to keep raising import taxes and quotas as well as customs tariff barriers and thus limit foreign competition.

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On the contrary, we will now be obliged, as EU associate members and soon its full members, to lower our import taxes and tariffs for consumer goods by 20 percent each year, beginning on 1 January 1995. This will not apply to passenger automobiles imported in addition to the tax-free quota of 25,000 (they will be subject to a customs tariff rate equal to 20 percent of the imported goods' purchase value).

On the other hand, the terms of imports of agricultural and food produce will not be altered in 1995. In addition, it will be possible to import and export fish without any restrictions or preferences on either side of the border. However, we must remember that, regardless of the rules of the game applying to relations between Poland and the EU, on 1 July 1995 the regulations of the World Trade Organization (former GATT) will come into force, and, on their strength, we will be obliged to introduce special import terms that will rather favor Western exporters.

For the 2 million producers of goods and services in Poland, a tougher period will begin as early as the year 1995. To begin with, the terms with which we will have to comply in our foreign trade will not be too exacting, but they will gradually become so even as our imports tariffs are reduced, until at last they constitute a real challenge to the Polish economy as a whole. Professor Urszula Plowiec, an eminent economist from Warsaw, believes—and her views are endorsed by many academics and politicians—that, unless we see a rapid improvement in the quality of Polish goods and the health of Polish enterprises and the whole economy (in terms of quality, modern standards, prices, terms of payment, marketing, etc.), the move whereby our economy opens up fully to the EU and, in the long run, to the whole world market may well mark the beginning of our greater or lesser economic dependence on our stronger partners in foreign trade and foreign economic cooperation.

And so it is all up to the producers now!

Gas Masks To Be Produced on French License

LD1001191595 Warsaw TVP Television First Program Network in Polish 1600 GMT 10 Jan 95

[Relayed by TV Polonia Network]

[FBIS Translated Excerpt] The licence production of new gas masks for army use will be launched this year. The so-called face part has been designed by the French. The Poles have designed the filter. Poland does not produce or own chemical weapons delivery vehicles. What we have is being used for research purposes and training of chemical defense troops.

The Polish filter is one of the best in the world. It gives protection against combat chemical weapons. The outside casing allows the wearer to drink liquids without removing the mask. The UOP [State Protection Office] and the chemical defense troops already have these masks as their equipment. [passage omitted]

Military Dominates MON; Wants Walesa Reelected

WS1001152295 Warsaw ZYCIE WARSZAWY in Polish 10 Jan 95 p 2

[Article by "LUZ": "The Army. MON After Drawsko: Do Not Provoke, Do Not Exacerbate, Do Not Disturb"]

[FBIS Translated Text] Will the presence of a defense minister alleviate the conflict that arose between the Ministry of Defense [MON] and the General Staff after Drawsko? Members of both doubt it. "We already have a deputy minister who has the support of the parliamentary majority. So what? Only the presidential elections can save us," say the "civilians." "The coming elections will determine the fate of many of us," adds the military staff.

"Never before have we been so frustrated," says one employee of the civilian part of MON. "Our position is becoming increasingly precarious, and no one is doing anything to strengthen it so as not to exacerbate or provoke the General Staff."

The powers of the "civilian" Department for Education was handed over to the military a year ago, under the condition that civilians would be able to control educational activities carried out by the General Staff. This was to guarantee civilian control (through the minister) over the Army.

"We receive a complaint from a military field unit. Normally, a delegation would be sent immediately to investigate the problem. It would consist of our representative and a representative of the General Staff. The file, however, is sent back to the unit commander, who assures that the problem is settled and that interpersonal relations in that unit are perfect," say the "civilians."

Why do they claim MON does not want to investigate complaints? "Because it might turn out that the unit commander would not let us civilians inside, and a scandal would break out. Everyone is afraid of that. So the stalemate in the military continues."

"We could leave it up to the General Staff, but we have to face the truth—the ministry has no control over the education of soldiers," say the resigned "civilians" in MON.

"After Drawsko, everything became clear: The General Staff is supported by the Belweder, and the dismissal of Piotr Kolodziejczyk shows it is not the sole supporter. We could have appealed to the Sejm Defense Committee, but no one is sure whether we could have turned to the coalition or the prime minister," we heard from a "civilian" official in MON. "And we all know what powers the committee has."

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As we all remember, the prime minister dismissed the head of MON despite protests from deputies.

"Civilians" are also disappointed with the deputies. "When a very political questionnaire probing whether the soldiers supported the minister or the head of the General Staff was sent to the military units, none of them objected." Is this what parliamentary control and safeguarding the nonpolitical character of the Army is about?

Spirits in the General Staff, the "victor" at the Drawsko dinner, are not high, either. "Everyone was euphoric when Piotr Kolodziejczyk left, but it was a euphoria lined with fear," states one officer from the General Staff. "We are aware that the president is currently counting on the Army's active participation in the election campaign, and we have to help him. We have no alternative political sponsor. If Lech Walesa loses the campaign, heads in the Army will roll."

He goes on to add that the General Staff is well aware of that, but no one is certain what the commanding officers in the field military units think. "The last events will influence the younger officers primarily. The generals will retire, and the consequence of their activities will be felt by those who have yet to come."

Although it is very difficult to operate without a minister (foreign visits are being canceled; banners cannot be granted to new units because the minister has to personally sign orders; the secret services cannot install bugging devices because only the minister can request permission from the prosecutor), few hope that a nomination at this point would change anything. "Will the new minister oppose the generals? No one will touch the top commanding staff until the elections," say the irritated "civilians."

They are thus counting on a new president. The approval of the head of state is needed to carry out changes at the top commanding posts.

The General Staff also realizes this. "Our fate depends on who wins the presidential elections. Therefore, we also must prepare for the campaign."

CFE Treaty, Reduction of Military Equipment

95P20232A

[FBIS Media Note] In an article in the 16 November Warsaw military daily POLSKA ZBROJNA, reporter Artur Bilski described the status of armaments reduction in compliance with the Conventional Forces in Europe (CFE) Treaty, of which Poland is a signatory, focusing on comments provided by Colonel Wieslaw Koziarkiewicz, acting chief of the Disarmament Section of the Department of Military Foreign Affairs (DWSZ).

The article begins with a brief review of the treaty's background and terms. Signed on 19 November 1990 by 22 countries after 20 months of negotiations, it called for mandatory reduction of military equipment from the "Atlantic to the Urals." In this entire region, the following allotments were not to be exceeded: 40,000 tanks, 60,000 combat armored vehicles, 40,000 artillery pieces, 13,600 combat aircraft, and 4,000 attack helicopters—with all of the above equally divided between former Warsaw Pact members and NATO countries. Bilski notes that soon after the treaty was ratified, however, some of the signatory countries moved part of their military equipment to the Navy because the Navy was not included in the treaty, or, as in the case of Russia, moved it beyond the Ural Mountains, thereby out of reach of the treaty's designated boundaries.

The entire process of weapons reduction has been supervised by groups of inspectors. In the Polish Section for the Inspection of Disarmament in the DWSZ, 25 officers are responsible for "compliance with the disarmaments treaty and the preparation, outlining, and exchange of information on military equipment between signatory countries of the CFE." Corresponding offices in other countries have larger numbers of people involved—for example, 55 in the Czech Republic, 45 in Slovakia, and 400 in Germany. On 16 November 1995, the reduction goals oulined in the CFE Treaty should be achieved, but the activities of the inspectors will continue.

Col. Koziarkiewicz said that the present situation calls for further training of new inspectors. Although they are not engaged in this process at all times, they will often be needed because the process of verification and supervision of weapons destruction will continue. The training for inspectors is demanding; apart from the requirement for fluency in English, inspectors attend a "rigorous two-level training session." The best inspectors are designated for yet another training course in order to become team chief inspectors. Since 1993, Polish officers have been participating in inspection teams in NATO countries that conduct inspections of military units and assist at the demolition sites. Since 1994, NATO officers have joined Polish inspection teams.

Despite Col. Koziarkiewicz's stated opinion that the CFE Treaty "is not well suited to the present political situation," there is a general feeling that the whole process of armaments reduction "should proceed to the final stage." Even if the ultimate goal of the treaty—lowering the level of existing conventional weapons—is completed on schedule (by 16 November 1995), Koziarkiewicz maintains that "treaty regulations on the exchange of information on military forces and its verification will still be binding."

According to the terms of the treaty, Poland agreed to accept 22 inspections of the destruction of equipment and weapons annually at designated "declared" military sites as well as at nonmilitary sites specifically arranged for this purpose. In 1994, Polish military sites were inspected by five teams from East Europe and nine teams from NATO countries. In addition, foreign inspectors observed Polish teams demolish equipment and weapons eight times, according to Koziarkiewicz.

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For the next two years, Poland has agreed to as many as 30 annual inspections in order to keep to the destruction schedule. One of these additional inspections, which included mass destruction of military equipment, took place in Dabrowa Gornicza, with General Heinz Loquai, chief of the Center for Verification Tasks in the German Bundeswehr, present. He called the destructions of 82 tanks and 38 howitzers a "practical implementation of the Partnership for Peace plan."

Over the course of the next three years, Poland is to turn to scrap 1,120 tanks and "several hundred" troop transport vehicles, howitzers, and mortars. To date, the Enterprise Hk-Cutiron for Salvaging and Recycling Scrap Metal in Dabrowa Gornicza has destroyed 637 tanks by using an 8-ton heavy ball dropped from a height of 20 meters. Koziarkiewicz called this a unique method, for which Poland holds the patent; burning and exploding are the most commonly used means of destruction in other countries.

Next to Germany, the East European countries have the largest weapons arsenal. General Loquai noted that there are 10,000 items awaiting destruction in the Bundeswehr—that is, one-third of the total number designated for destruction at the time the treaty was signed. He specified that the number of tanks has already been lowered from 7,500 to 2,500. The number of soldiers in the Bundeswehr is anticipated to be reduced by 400,000, from 700,000 to 300,000 or 350,000 by the time scheduled according to the treaty. Koziarkiewicz opined that not in every case can a country afford a "show" of dramatic mass weapons destruction, sometimes taking the less expensive option of storing the weapons in military sites.

Col. Koziarkiewicz asserted that "Poland is meeting all of the requirements specified by the treaty and proceeding according to the outlined plan." By the date of the conclusion of the second stage of reduction, 16 November 1994, "60 percent of our equipment should have been destroyed," as stipulated in the treaty. "Our obligations in this matter are already fulfilled," he declared. To illustrate his statement, he reported the following numbers: According to the treaty, 1,120 tanks were to be destroyed; 725 have been destroyed as of 26 October 1994 and 395 remain for destruction by 16 November 1995. For artillery, the numbers are 743, 460 and 283, respectively. As regards combat armored vehicles and combat aircraft, the reduction stands at 100 percent (301 and 54, respectively).

The countries that ratified the treaty are allowed to keep part of the equipment for nonmilitary purposes, with the specific numbers being: tanks, 5.7 percent or no more than 750; combat armored vehicles, 15 percent or 3,000. Col. Koziarkiewicz recalled one event at the Gizycko site at which a group of NATO inspectors arrived to confirm if indeed 15 tanks the Poles wanted to save from destruction would not ever be used for combat. This was specifically to satisfy one of the treaty perquisites that the equipment must be destroyed in such a way that it can no longer be used for any other military purposes. Another inspection is scheduled "in the near future" at Gizycko.

Privatization Efforts, Current Status Reviewed

945P0026A Warsaw PRZEGLAD POLITYCZNY in Polish No 25, Oct 94 pp 54-55

[Article by Andrzej Halicki, press spokesman for the Mass Privatization Program at the Ministry of Privatization: "The Battle for Privatization"]

[FBIS Translated Text] The dispute about ownership changes is revived with every new electoral campaign, every time there are tensions within the governing coalition, and every time a major decision is made by the government. The number of the related Sejm, television, and press debates is not declining, although the experience gained since 1990 as well as the experience of other countries show clearly that there is no better road to economic recovery. Privatization in the former GDR is taking place at an incomparably higher cost than in Poland. In the Czech Republic, a dozen or so companies are quoted on the stock market—in the close meaning of the term—while the remainder are not subject to any reporting obligation. In Russia, plants are being taken over by the mafia. Against this background, privatization in Poland seems an oasis of calm and consistency, although its pace varies greatly depending on which government is in power. Also important is its scale.

From the PRL [Polish People's Republic] we inherited 8,441 state enterprises (state as of early 1990)—that is, nothing and everything at the same time. By September 1994, 2,974 of these enterprises either gained specific owners or began to be privatized. This does not mean that all of these nearly 3,000 enterprises already are privately owned. An analysis of their status requires tracing the various paths taken to privatize them.

To public opinion, privatization through stock sale is the most obvious path. Yet, in five years, controlling blocks of shares were sold to firms or private individuals in the case of only 115 enterprises. This hardly is a majority, especially considering that more than one-half of the related decisions were made during just one year of the existence of the Hanna Suchocka government by the then Minister [of Privatization] Janusz Lewandowski. And the number of moneyed investors is not so large, as was recently ascertained by Minister Kaczmarek, who, on toting up the number of public auctions of state enterprises, found that the number of their sales was just barely higher than that auctioned off by Minister Gruszecki during the Jan Olszewski government when privatization through stock sale had been deliberately suspended.

Altogether, about 200 Treasury companies and 367 other state companies desirous of participating in the Mass Privatization Program are awaiting approval of

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their sale. Soon an additional 105 state enterprises willing to become Treasury companies may be added to the list. The Ministry of Privatization also predicts launching a program for mass commercialization, which should hasten this process.

Another approach to privatization is to lease the assets of an enterprise to an individual or a group of employees. Sometimes only a part of the assets of an enterprise is contributed as capital to the new company. This type of privatization, based on Article 37 of the Law on the Privatization of State Enterprises or on Article 19, has been extended to nearly 1,200 enterprises. In this connection, the scale of so-called employee leasing—that is, of privatization resulting in the formation of companies co-owned by their employees, is completely unknown publicly. As many as 813 enterprises have already been transferred to such companies and deleted from the register of state enterprises.

Balance sheet: In 1990 there were 8,441 state enterprises. Of this total, 2,974 have since been either transferred to private ownership or subjected to the first stages of privatization. So now there still remain 5,467 state enterprises.

Which path? Of the 1,166 already privatized state enterprises, 115 were privatized through sale of stock in them, 813 were privatized by leasing them, and 238 were privatized through their partial or total liquidation.

The previously mentioned 2,711 [as published] privatized enterprises include 260 that became municipally owned (ownership transferred to gminas [local governments]) and a dozen or so whose assets, through a purposive selection of tenders, were assigned to capable management. Altogether, if we add up the number of the enterprises privatized through various approaches exclusive of transfer to municipal ownership, we find that number to have reached 1,166 overall in the course of five years (115 privatized through sale of stock, 813 privatized by leasing, and 238 privatized partially or entirely through liquidation).

These figures spur reflection because, on the whole, the number of privatized Polish state enterprises totals barely 14 percent, owing to the irregular pace of privatization. Also important is the purpose of the privatization, and it is not difficult to trace major changes in the related priorities by the various governments and ministers. Thus, while Minister Lewandowski (a liberal) took into account investment and social obligations and placed emphasis on rescuing endangered enterprises while at the same time following a planned sector strategy, his most recent successor, Minister Kaczmarek (a leftist), has been placing definite emphasis on the need to achieve specified budgetary receipts through privatization, meaning emphasis on selling off the better-performing firms. Can it be thus that the grandiloquent forecasts of many trillions of zlotys in receipts next year reflect, to use the language of the Left itself, a sellout of national wealth rather than a privatization policy? Especially considering that the current minister is dithering instead of taking steps essential to the Polish economy and to the development of the capital market, such as, for example, a rapid implementation of the Mass Privatization Program. Neglect of this issue may produce irreversible consequences.

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'Feeding' of Cernavoda Reactor Begins on 11 Jan

AU1001143195 Bucharest TINERETUL LIBER in Romanian 4 Jan 95 p 1

[Report by Cristian Vlad: "Beginning Today, 535 Metric Tons of Heavy Water Will Be Fed Into the Circuits of the Cernavoda Reactor"]

[FBIS Translated Text] They will begin to feed heavy water into the circuits of the Cernavoda nuclear reactor today. The greatest part (355 metric tons) of the total 435 metric tons [as published] of heavy water comes from Canada, from which it is rented over an undetermined period of time. The remaining 100 metric tons has been manufactured in our country, at Turnu Severin. The feeding process will last until 10 January, while the radioactive uranium that is to be used as fuel is scheduled to arrive at the port of Constanta on 12 January.

Despite the fact that Romania also produces such fuel, the Canadian party did not approve it, saying that the Cernavoda reactor should run on Canadian-made fuel "at least in the first phase."

Practically speaking, the reactor will be operating by the middle of 1995, when it will provide approximately 10 percent of Romania's total electric power output.

Authorities Moving Heavy Water Facility Neighbors

AU1001150595 Bucharest CURIERUL NATIONAL in Romanian 4 Jan 95 pp 1, 2

[Article by Valentin Bolocan and Paul Stefan: "Confusion or Opacity at ROMAG Mehedinti?"]

[FBIS Translated Text] The Ministry of Environment has recently authorized operations to begin at the ROMAG [Romanian Heavy Water Company] facility in Halanga. The authorization was issued after the conclusion was reached that there were enough safety measures in case of accident and after checks were conducted by the Environmental Protection Agency between 29 October and 18 November 1994. It should be added that ROMAG operated without authorization for almost five years. In this period, several accidents and a certain amoaunt of damage occurred—fortunately without serious consequences for the population in the region.

After the Ministry of Environment's decision was published, we received an appeal from a group of inhabitants of Drobeta-Turnu Severin Municipality, who found it rather suspicious that the authorization has come after five years of unauthorized operations. They raise such questions as: "What protective measures have been taken, when we can see no change for the better? There is a pervasive smell of sulfur throughout the city, just as before, when the facility operated without authorization."

Engineer Ion Ciovica, sub-prefect of Mehedinti County, told us: "The allegations about a high level of air toxicity in Mehedinti County because of the operation of the heavy water plant are nothing but alarmist rumors. It is true that there have been some problems in the past, but nothing on that scale. As a matter of fact, we have started a program that we hope will eventually solve all the problems. First of all, the National Agency for Environmental Protection is conducting tests on a daily basis. Up to now, the analyses of these tests have proven that the permitted norms of toxicity have not been exceeded. Second, problems arose at the facility only in the wake of accidents. Even then, the population did not experience any negative effects. Anyhow, in order to finally solve these problems, the government decided to set up an interministerial commission to coordinate moving 82 families from Halanga Commune in the immediate vicinity of the facility. First, the commission is making social enquiries, by asking each family where they would like to live, as there are three possibilities for moving them to various parts of the county. We are encountering great difficulties in these enquiries, because 95 percent of the commune's inhabitants are elderly people who are very attached to their land and do not want to leave the commune. In a second stage, the government will have to come up with the money necessary for this operation, approximately 18 billion lei. Nevertheless, this is not the problem. I repeat, the entire operation is being slowed down by the social enquiries, which are proceeding at a snail's pace. In any event, there is no question of shutting down the facility, since it is a strategic industrial unit for our national economy. Moreover, such a closure would mean the loss of some 5,000 jobs."

But what are the "simple citizens" saying, the people living near the facility?

D.C. (52 years old, engineer): "Every two days on average, there is a strong smell of sulfur over the city. Sometimes, you can hardly breathe. I have not felt any negative consequences so far, but the whole thing is pretty noxious. I am thinking mainly of the children, because they are more sensitive. There have been rumors in the city that the drinking water is toxic, but I do not think this is true."

Most of the inhabitants of Halanga Commune gave pretty much the same answer to the question: "Do you want to move to another place?"

G.I. (72 years old, farmer): "Some gentlemen came to me and told me that I had to move to another place because of the factory. Then they asked me where I wanted to go. They told me I can move closer to my children or other relatives in the county. I do not want to go anywhere. I have lived here for as long as I can remember. My father, grandfather, and so on lived here. And now that they have built a factory here, they want me to move. The smell that occasionally comes from there does not bother me in the least. I have become used to it. Anyhow, I am an old man."

D.C. (35 years old, a worker at ROMAG's isotopic section): "The negative effects are not felt immediately.

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As long as you can smell the sulfur, there is no problem, as this means that the percentage of pollution is not dangerous. However, there are also some symptoms of tiredness, nervousness, insomnia, and even depression that come along with it. We are being paid a toxicity bonus in our wages, but if we think seriously about it, health is priceless. The situation was worse when the accidents were occurring. Because of the high level of toxicity in the air, people were fainting immediately. They would just collapse on the spot, so to speak."

Official 'Optimistic' Cernavoda Plant Safe

AU1001154295 Bucharest ROMANIA LIBERA in Romanian 5 Jan 95 p 11

[Interview with Anton Dragomirescu, state secretary and chairman of the National Nuclear Activity Control Committee, by Elena Chirita; place and date not given: "The Accident Risk Is Once in 1,000 Years"—first paragraph is introduction]

[FBIS Translated Text] In December 1942 at Chicago University's laboratories, the international team of physicists working on the Manhattan Project completed the first nuclear fission test. The confirmation of Einstein's theory meant the birth of nuclear bombs and nuclear power stations. Fifty-two years after that discovery, millions of Romanians are asking themselves what the risks from the use of nuclear fuel to produce electricity at the Cernavoda nuclear power station will be .

[Chirita] Mr. Chairman, what is the latest deadline for the Cernavoda nuclear power station [CNE] to become operational?

[Dragomirescu] Considering the current stage of the work, we expect the CNE to be producing electricity by the spring: that is, March or April.

[Chirita] What will its annual output be?

[Dragomirescu] If it runs uninterruptedly for 11 months, the output will be 660 megawatts, or 10 percent of the country's total output. I would also like to point out that if the CNE becomes operational, we could save $350-400 million (the price of the corresponding amount of oil and natural gas.) Nuclear energy is the cheapest of all.

[Chirita] But also the most dangerous from the environmental protection angle. Radioactive pollution, with its unforeseeable long-term consequences, is frightening the population.

[Dragomirescu] Let me tell you that the power stations that use fossil fuels pollute the environment much more. Besides various noxious oxides following the burning of coal, the exhaust ash contains as much uranium as is used in the nuclear power stations to obtain the same amount of electricity. [sentence as published]

[Chirita] In March 1994, you claimed that there is sufficient raw material (uranium) in our country to satisfy the needs of the CNE. Now, however, nuclear fuel is to arrive from Canada. What has changed in the meantime?

[Dragomirescu] Nothing has changed. We have sufficient uranium to ensure the functioning of all five reactors for over 25 years. As far as the uranium imported from Canada is concerned, we did approve RENEL's [Romanian Electrical Power Authority] request to purchase, transport, store, and utilize the imported uranium fuel for the first loading of the reactor. This importation is stipulated by a clause included in the contract concluded in 1979 with our foreign partner. The demonstration of the due performance of the station, which is guaranteed by the Canadian licenser, is conditioned on our using Canadian-made nuclear fuel, which was accepted by the company that bought the license.

[Chirita] Is the importation of heavy water also a contract clause?

[Dragomirescu] No, that was due to economic reasons. RENEL has imported a certain amount of heavy water from Canada, namely the amount that was still lacking for the CNE to start running. However, considering the very costly investment that has been made in Halanga [heavy-water-producing station], I do not think that they will give up that station, especially as the quality of the heavy water produced there is ideal, having a purity of 99.99 percent.

[Chirita] One year before nuclear power stations go into operation, it is compulsory to determine the reference background radiation level of the surroundings. Sources at the APM—the Cernavoda radioactivity laboratory, the RA station—claim that no such measurements have been made. Furthermore, they claim that the laboratory is not even properly equipped to carry out such measurements.

[Dragomirescu] They have been working on such studies not just for one year but for 10. Currently we have a study on the state of the environment entitled "Zero Time," especially for the Dobrogea region. The laboratory that you mentioned takes measurements four times a day and is properly equipped. In January 1995, they are to install a tritium analyzer.

[Chirita] The same sources criticize the fact that the methodology to measure environmental factors during normal operations, as well as in case of nuclear accidents, has not been endorsed by the International Atomic Energy Agency (IAEA).

[Dragomirescu] Let me state this loud and clear: The IAEA is not entitled to authorize the Cernavoda laboratory. That falls under the authority of our national control bodies only. All the IAEA can do is make some recommendations or assessments, if asked by the governments in question. International experts have visited

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the RA station and made certain recommendations, in accordance with international norms.

[Chirita] Were those recommendations fully observed or are they instead merely optional?

[Dragomirescu] All the IAEA's recommendations have been implemented.

[Chirita] Apart from making suggestions, what other roles does the IAEA play?

[Dragomirescu] They rigorously control the use of nuclear fuel exclusively for peaceful purposes. As a matter of fact, at Cernavoda there will also be a permanent system, complete with special equipment and video cameras, for monitoring all the operations involving the nuclear fuel. Access to it will be allowed only in the presence of the IAEA inspectors.

[Chirita] I know that you are a very optimistic person, as you have constantly rejected the idea of a possible nuclear accident at Cernavoda. Do you maintain that stance of yours?

[Dragomirescu] The Cernavoda plant is a modern station that meets international standards both in terms of its conception and of the way in which it was built. This is why I am optimistic—especially since we have been monitoring the way all requirements have been met; and we will continue to exert the same control when it starts operating.

[Chirita] Nevertheless, radioactive pollution could occur—not necessarily in the case of nuclear accidents but also during "normal" operations. Have you examined how much tritium could infiltrate into the Danube River and into Dobrogea's underground water and drinking water supplies?

[Dragomirescu] You can rule out the possibility of tritium leaking into the Danube. The risk of radioactive fission material leaking out is once in 1,000 years.

Melescanu on Need for New Treaty With Russia

AU1101071695 Bucharest ROMANIA LIBERA in Romanian 5 Jan 95 p 3

[Interview with Foreign Minister Teodor Melescanu by Roxana Badralexi; place and date not given: "Nothing Concrete About the Treasure and Moldova Will Be Included in a Romanian-Russian Treaty"]

[FBIS Translated Text] [Badralexi] Mr. Minister, can your experience or your diplomatic training persuade you to give us the hope that Romania might for once succeed in escaping from the Russian trap?

[Melescanu] I think your question is very direct, and therefore I would like to answer you in the same direct way: We will never escape from it. Russia, through its potential, represents a very important pole of attraction. But this is not the main reason. If we accept this idea—namely, that no matter what happens, Russia will be a pole of attraction—I think we should strive to find another pole of attraction in order not to be irresistibly and irremediably attracted to the one single pole. The relationship with Russia is not in itself a bad thing. However, the issue is viewed from the Russian angle. Namely, we have to ask the question as to whether the democratic evolution in that country will change Russia into a great power, into a great democratic country. Thus, our escape from this trap also depends to a great extent on the evolutions that are going to take place in Russia. I personally believe that we will always have to have relations with Russia. There are political and economic interests that will make us want to have these relations. Our fate will depend, however, on the way we succeed in integrating into the sphere of another pole of attraction as soon as possible.

In Our View, the Romanian-Soviet Treaty of 1970 Became Void Even Before the Breakup of the USSR

[Badralexi] Until Russia becomes a big democratic power, we will have to cope with it as best we can. What did the Romanian-Soviet treaty of 1970 mean to us, and what can it still mean today, when Russia avoids declaring it null and void?

[Melescanu] The 1970 treaty was an instrument that translated a situation that existed in the socialist camp into a bilateral language: namely, the relations between the sovereign country and the satellite countries. It put into concrete terms the efforts to create a totally separate world from the European democracies. From this point of view, the treaty became void after developments in the two countries after 1989. We believe it became void even before the breakup of the USSR. And from a technical point of view, the Russian Federation could not be the successor to a treaty that, in our opinion, ceased to exist. I could say that our Russian colleagues wanted the treaty to lose its validity from a technical viewpoint the moment a new treaty between our countries was concluded.

[Badralexi] What is your opinion on this situation? The treaty has become void but it is still not void from every point of view.

[Melescanu] When we signed another treaty—that is, the much-talked-about treaty of 1991, the 1970 document no longer seemed to be valid. We are insisting the Russians should abrogate that treaty now—that means that, up to the date of this abrogation, that treaty has been valid. At any rate we consider it void.

[Badralexi] But what happens with these positions when they are taken unilaterally?

[Melescanu] When one of the sides has declared the treaty void, it has ceased to be in effect. In fact, the Russian side also shares the same view, even if it does so only verbally.

[Badralexi] Does the bilateral treaty signed in 1991 by Presidents Iliescu and Gorbachev in any way affect the current steps?

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[Melescanu] In practical terms, since it has not been ratified it cannot be invoked, and it is not invoked. However, apart from this, it represents an exercise that we are going to take into account.

[Badralexi] In what way?

[Melescanu] Meaning that we will try to return to certain provisions that were favorable to us and avoid others that brought us a great deal of criticism.

[Badralexi] For example?

[Melescanu] For example, there is a very good reference in the treaty to the effect that the Ribbentrop-Molotov Treaty is void. Regarding the negative part of it, I could mention the much-discussed chapter on the two countries' commitment to not participate in groupings or alliances that might be considered hostile by one of the countries. Thus, the 1991 treaty represents an experience we have to make use of.

[Badralexi] Do the Russians now indicate that they would still prefer that the articles of the 1991 treaty prevail?

[Melescanu] No. They are never used, not even as an argument.

[Badralexi] However, will the Russian side wish to use the 1991 treaty or the 1970 treaty on the subject of Moldova, the Romanian treasure, or our integration into NATO?

[Melescanu] I would like to explain to you that no reference has been made to any of these three issues in either the 1991 treaty or the 1970 treaty. They are mentioned only as principles. Even the reference to the Ribbentrop-Molotov pact was only a historical reference and not a provision with concrete legal consequences.

It Is Very Dangerous To Pull the Tail of a Lion, Even If That Lion Is Very Old and Sick

[Badralexi] Do you think Romania was able to benefit from the diversion prior to and after the breakup of the USSR?

[Melescanu] There is an English proverb that says that it is very dangerous to pull the tail of a lion, even if that lion is very old and sick. I think this proverb can be applied perfectly to the case of the USSR.

[Badralexi] Russia is not at present even a seemingly wounded lion. On the contrary, it lifted its head from the ground very quickly. What does the Romanian side wish to obtain, in concrete terms—as regards the treasure, Moldova, and Russia's noninterference in the future alliances we will have?

[Melescanu] The most that we can obtain, in case of the first two issues, is the idea that all the problems that both we and the Russian Federation have inherited will have to be solved by the two sides through discussions and negotiations. The acceptance of this principle will explicitly open up the possibility of discussing these issues. It is the only thing we can consider, if we do not think of resorting to force in order to resolve these issues.

[Badralexi] In other words, nothing concrete will be specified as regards the treasure and Moldova?

[Melescanu] I believe so.

[Badralexi] And what about integration into NATO?

[Melescanu] One good element—accepted by the Russian partners, even during the current stage, is that there will no longer be a provision like the one included in the 1991 treaty. That is, no reference will be made to the fact that one of the countries could have the right to give its opinion on the other country's integration into one structure or another. However, I do not think it advisable—although some will contradict me on this—to include in the treaty this point on noninterference in the choice of future alliances of one side or the other. I personally believe that this would also imply that we admit that we did obtain such approval previously and that, at any rate, Russia has the right to supervise this region. Still, I do not think this issue belongs to the bilateral treaty. The issue of Romania's integration into NATO is Romania's problem alone.

A Treaty Cannot Solve All the Problems

[Badralexi] And you don't expect any Russian pressure in this respect?

[Melescanu] Russia has a certain perspective regarding the issue of NATO expansion. However, Defense Minister Tinca has another, extremely valuable thesis, according to which an expanded NATO will not be a hostile NATO. Mr. Tinca explained that including certain countries—such as Romania or Poland—in NATO will represent an element that could stabilize the situation in this area and will increase the Russian Federation's security. This is our argument, and we hope we will be sufficiently convincing.

[Badralexi] What compromise is the Romanian side ready to make in order to obtain the desired advantages?

[Melescanu] I think the greatest compromise we can make is to accept that we are not going to solve now many problems that we have inherited; however, neither are we going to give up the idea of broaching them during future negotiations. In fact, a treaty cannot solve all the problems; however, the national circumstances or national interest can. Diplomats can impart a certain evolution to relations between two countries. More than that....

[Badralexi] What has been your greatest achievement in the past year?

[Melescanu] I believe each person, with the means available to him and the power God gave him, has tried to

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make things work better. Each person wanted to accomplish something good, but there are certain limits that we all have....

[Badralexi] We agree that your colleagues in the cabinet have certain limits.

[Melescanu] However, as far as we are concerned, the limits have been a bit more generous. In order to answer your question, however, I can say that there have been several important achievements: namely, the Partnership for Peace; the association to the European Union [EU], which will begin in February next year, or the Essen meeting. I would also add to all this the summit meetings with Presidents Clinton and Mitterrand and Prime Minister Major. However, all these represent a number of opening doors. Whether we are actually going to go through them or not is another question, which we all will have to answer.

[Badralexi] What has been your biggest failure?

[Melescanu] Definitely our delay in finalizing the basic accords with Hungary, Ukraine, and the Russian Federation.

[Badralexi] What would the signing of a good treaty with Russia mean for your diplomatic career?

[Melescanu] I believe it would mean a balance to signing the Partnership for Peace and the association to the EU.

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Krajina Serbs Refuse To Meet UN's Rose in Knin

AU1001150195 Paris AFP in English 1358 GMT 10 Jan 95

[FBIS Transcribed Text] Zagreb, Jan 10 (AFP)—Breakaway Croatian Serbs Tuesday refused to meet UN Bosnia force commander, General Sir Michael Rose, who was to have visited them in Knin, the centre of their self-proclaimed Krajina republic, inside Croatia, a UN spokesman said here.

"The meeting was cancelled last night due to the RSK (Serb Krajina republic) army officers. They decided not to meet with us," Paul Risley said.

Rose was to have discussed the conclusion of a local ceasefire between the Krajina Serbs and Bosnian Government 5th Corps forces in Bihac enclave, a Moslem-held pocket surrounded on all parts by Serb forces, including from those just across the border inside Croatia.

A senior UN official, who refused to be named, said Krajina Serbs had cancelled the scheduled meeting because Rose was to have discussed the problem of trucking in military supplies to the Bihac enclave for UN Bangladeshi soldiers there.

The 1,100 Bangladeshi peacekeepers in Bihac enclave have only light weapons and a few armoured vehicles, the Krajina Serbs having closed their checkpoints into the enclave shortly after they deployed last autumn.

Rose was also to have discussed the withdrawal of Krajina forces from Bihac where they have been helping Bosnian Serbs and rebel Moslems fight government forces.

The Krajina Serbs have denied having any troops inside Bosnia and have said they are not concerned by a truce agreement signed December 31 between the Bosnian Government and breakaway Bosnian Serbs. The truce agreement calls for the withdrawal of all foreign forces from Bosnia.

Rose last month vainly sought to visit Knin after travelling to the northwestern Bihac pocket.

Mladic, Delic, Rose To Hold Airport Truce Talks

LD1101113995 Belgrade SRNA in Serbo-Croatian 0955 GMT 11 Jan 95

[Item received by fax]

[FBIS Translated Text] Sarajevo, 11 Jan (SRNA)—A meeting between representatives of the Srpska republic army [VRS] and Muslim formations, devoted to implementation of the agreement on an absolute cessation of hostilities in the former Bosnia-Herzegovina is scheduled to begin at 1200 [1100 GMT] at Sarajevo airport, SRNA has learned from the VRS main headquarters.

The delegations will be headed by Colonel General Ratko Mladic, commander of the VRS main headquarters, and Muslim General Rasim Delic. The negotiations will be held through the mediation of UNPROFOR [UN Protection Force] commander for former Bosnia-Herzegovina, British General Michael Rose.

Serb Sources: Truce 'More or Less' Respected

LD1001180495 Belgrade TANJUG in English 1741 GMT 10 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 10 (TANJUG)—Bosnian Serb army sources on Tuesday said the agreement on a four-month cessation of hostilities in all of Bosnia-Herzegovina was more or less respected by Bosnian Croats and Muslims but seriously violated by Croatia's regular army troops.

Bosnian Serb army sources said that 'Croatia's regular army troops in the past few days several times opened fire from artillery weapons and small arms on positions of the (Serb) Herzegovina corps. The latest truce agreement does not oblige them (Croatian troops), since they have not signed it.'

The agreement on the four-month cessation of hostilities was signed by the Bosnian Serbs and Muslims on Dec. 31 last year and only a day later by the Bosnian Croats.

Croatia's regular army troops have been participating in the fighting in Bosnia-Herzegovina since the outbreak of the civil war 34 months ago.

The Bosnian Serb sources said that Muslim troops had sporadically violated the truce on the Ozren-Vozuca and Teslic fronts in northern Bosnia.

'Chetniks' Continue Bihac Attacks

LD1001220295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 10 Jan 95

[Report by Mirza Sadikovic from Bihac]

[FBIS Translated Text] Karadzic's and Martic's chetniks continued attacking the Bihac district all day, blatantly violating the cease-fire. On several occasions they attempted to break through with infantry in the Velika Kladusa area, focusing their attacks on the (Dizdarevici) [words indistinct] Glavica areas and other parts of the municipality. At the same time, the whole area was targeted by chetnik artillery from the so-called Krajina. All the attacks were successfully repelled and Martic's chetniks and Abdic's rebels have suffered losses in men and equipment.

Chetniks also launched attacks and staged provocations on other sections of the [word indistinct] district, mainly in the Bosanska Krupa area around [words indistinct].

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In the Bihac area, the greatest problem is the water supply system, which is again being constantly targeted by chetniks, as well as the poor humanitarian situation.

Fierce Fighting in Kladusa

AU1101103395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 11 Jan 95

[Report by Muhamed Mulic from Bihac]

[FBIS Translated Text] There is no peace in the theater of operations of the Bosnia-Herzegovina Army 5th Corps. Since yesterday fierce fighting has been under way around Velika Kladusa with Martic's chetniks and Fikret Abdic's paramilitary formations. Very heavy clashes are also under way in the areas of Elezovici, Brezovo Polje, Potresi, and Kumarica. The defense lines of the 5th Corps fighters are being pounded by shells from all kinds of artillery pieces and tanks from the territory of the so-called Serb Krajina in the UN Protected Areas. Massing of new forces and military hardware has been registered in that part of occupied Croatia. The fighting around Velika Kladusa is under way even as we file this report.

As for the other fronts, it is generally quiet apart from occasional aggressor's small arms and sniper fire, and a mortar or two. It is also somewhat quieter in the theater of operations of the Croatian Defense Council of Bihac around Zegar and Vedro Polje, but there are still some enemy provocations.

Serb Forces Moving Toward Srebrenica Zone

AU1001165395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 10 Jan 95

[FBIS Translated Text] That the chetniks do not plan to respect the cease-fire and that [words indistinct] reorganization and preparations for new attacks on the Srebrenica demilitarized zone is shown by the following press center report:

The Serbian aggressor yesterday and today was moving his forces on the (Simic) line farther toward the inside of the demilitarized zone, in the region of Podgaj. The chetniks are mainly taking advantage of the replacements of UN soldiers located in Srebrenica so that they can push these lines forward. The command of the Netherlands battalion in Srebrenica has been informed about the incident, but has so far done nothing to prevent such [words indistinct].

General Delic Stresses Need To Respect Truce

AU1001171995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 10 Jan 95

[FBIS Translated Text] Army General Rasim Delic, commander of the General Staff of the Army of the Republic of Bosnia-Herzegovina, held talks with General Michael Rose, commander of the UN forces for Bosnia-Herzegovina, in Sarajevo today. Attending the meeting were Brigadier Generals Jovan Divjak, Mustafa Hajrulahovic, and Vahid Karavelic. The talks concerned the implementation of the agreement on the cessation of hostilities, on ensuring instruments for its implementation, and on the Central Commission's method of work. During the meeting, Gen. Delic among other things said the following:

The Army of the Republic of Bosnia-Herzegovina has been fully implementing the agreed points of the signed agreement and expresses full cooperativeness in contacts with UN representatives. It demands of the Serbian aggressor side to do the same, particularly insisting on the opening of roads for the delivery of humanitarian aid, cessation of combat activities in the theater of operations of the 5th Corps, as well as withdrawal of Martic's forces from the territory of the Bihac District.

Representatives of the Army of the Republic of Bosnia-Herzegovina do not condition the implementation of the agreement on the cessation of hostilities upon anything, but stress the importance of implementing and accepting a mechanism that should make the agreement more effective, it is said in the report of the Press Center of the Army of the Republic of Bosnia-Herzegovina.

Mladic Views Current Situation, Carter Visit

AU1001181095 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 6 Jan 95 pp 8-10

[Report on interview with General Ratko Mladic, commander of the General Staff of the Srpska republic army, by Snjezan Lalovic on 18 December; place not given: "No One Can Destroy Us"]

[FBIS Translated Excerpt] Every meeting with the commander of the General Staff of the army of the Srpska republic [RS], whether on the front, in the rear area, or after some meeting "at the top," remains permanently engraved in memory. General Mladic has a rare fluid that charms not only those who respect and like him but also those who consider him an opponent. [passage omitted]

Croatian Deceit

[Lalovic] Many people hold the view that the current situation is one of truce. Such assessments come mainly from the West. However, the RS borders are being attacked not only by the Muslims and the HVO [Croatian Defense Council] but also by the regular Croatian Army. What is your view of the current situation?

[Mladic] Croatia has been in the war since 1992. Its forces have been present continuously in the former Bosnia-Herzegovina in one form or another. The aim of their activities is to create better operational positions with regard to the RSK [republic of Serbian Krajina] so that in a future conflict, which they expect to take place and which their military and political officials have recently been emphasizing, they can militarily realize

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their set tasks. However, they cannot solve anything with military force, just as they were not able to do it in the past. An attack on the RSK would be an attack on the Serbian people as a whole, and they must bear this in mind. They justified the offensive of the Croatian Army on the Grahovo-Kupres plateau to the world with the need to help the Croatian-Muslim coalition. This conceals a deceit, as they would do anything to use the Muslims to accomplish their aims. The territory of the former Bosnia-Herzegovina must be viewed as very complex, as many people have come to the Balkans to redeem themselves, launder money, or wash their hands. The presence of the regular Croatian Army only complicates matters on the ground. Tudjman and his supporters appear not to have learned any lessons from the winter of 1992, and that could be very costly for them. Regarding the Muslim-Croatian forces—I am referring to the HVO [Croatian Defense Council]—they are still sporadically engaged in fighting in order to attain better positions for a subsequent clash between themselves. The Croats are doing everything possible to avoid clashes with the Muslims. However, we have quite reliable information on fighting between them, especially in the Neretva valley. There are many unsolved problems between them. These are not being dealt with mainly because of the pressure from Germany and the United States, and because of the presence of UNPROFOR [UN Protection Force] in this region. We think that the people in the former Yugoslavia and Bosnia-Herzegovina are fed up with sufferings. It would be good if this was also acknowledged by those who have imposed the war to the people in this region, as well as those who are an extended hand to that warring component. The power-wheelers have envisaged a war of low intensity, causing it even within a same nation. However, it is now very dangerous to play with war in this and some other regions. The strategy of civil wars far away from one's own country, together with extensive help, has seriously endangered peace in the world.

NATO Has Been Unmasked

[Lalovic] With its policy of pressure through NATO, the United States has implicated some of its European members of the alliance in this war. NATO's presence in this region? [sentence as published]

[Mladic] The Serbian people have never in their history been in a war against the people of the United States, England, France, and so forth. The United States has taken a very unprincipled stand. The latest bombing of the Serbian positions around Bihac illustrate this best. The United States is a big power and can do much in this and other regions in the world to make the situation more peaceful. NATO has become superfluous after the disappearance of the "Warsaw Pact," and its existence is being questioned. It has made one precedent, because it has for the first time since its was created—and it was created to protect the national interests of its member countries—attacked another country that has not threatened anyone else's soil with any of its steps.

The question that is being openly asked is what the NATO aircraft are doing in our skies. The effect of their military actions near Gorazde, Sarajevo, and Bihac was minimal, while the damage they inflicted upon themselves is much greater, since a good reputation is difficult to earn and easy to lose. Everyone in the world now knows that NATO is exceeding its role and turning itself into an offensive component that is trying to reorganize entire continents with force. They have unmasked themselves. They had been saying for a long time that we had lost the media war. This is not, however, correct. First of all, wars are not waged with microphones but with weapons. What we are talking about is the satanization of the Serbian people in the media, and this is being primarily done by the West and its satellites.

I told Gen. Clarke in Banja Luka that he and I should not wage a war since our fathers and grandfathers did not do it either. He agreed with that and, as I hear, he had problems because of that. I am told that after the meeting with me, he was "demilitarized"—that is, retired. I am sorry if this has happened, since he was a man who understood the situation and was promising. [passage omitted]

There Will Be Fleeing From Kupres Again

[Lalovic] What do you think about a new wave of refugees from Kupres?

[Mladic] Kupres should be a big lesson to our people. The best answer was provided by those women refugees who were fleeing from being slaughtered for the third time. One should say that in 1993, when the Croatian people in central Bosnia were experiencing the most difficult time, we transferred over 6,000 of their civilians and soldiers via Kupres. I would like to use this opportunity to draw attention to the fact that many individuals in our ranks held the view at that time that the war with the Croats was over. Some were even predicting that the war would end in five to 10 days. I said at that time, and I am still saying, that the end of the war depends on the warring sides the least. It depends on those who started the war. We are taking about their, and not our interests. Kupres has shown that best. The Croats are aware that they do not have sufficient forces. Those from Herceg-Bosna—if they were to gather together all their forces—could not organize a proper defense line between the Drina and Radusa Rivers. They are now behaving in a euphoric way and showing off in Kupres. My message to them is that they had also been in Kupres in 1992. They should not advertise themselves there too much. They exploited NATO aircraft and their weapons, but they should remember what kind of defeats we inflicted on them. They should not rely too much on those from Varazdin and Koprivnica because they were running like rabbits in Livno. There will be more fleeing in the future if we decide to make more radical moves, and will make them if no political solution is found. Croatia, too, thinks it can accomplish something militarily in that region. They know how weak they are and they know that I also

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know that perfectly well. All my officers know that, and they should not fool themselves. [passage omitted]

I Do Not Like Predictions

[Lalovic] Are Croatian weapons turned toward Muslim weapons on the Herzegovina front?

[Mladic] I would not want to analyze some situations now, but something is yet to happen in central Bosnia unless a peaceful solution is found. They are entangled, you know. The Croats and the Muslims could carry on acting in front of the world as much as they like. Gen. Rose was honest when he said that a bloody war would break out between the Croats and Muslims three days after UNPROFOR left this region. UNPROFOR is here because of them and because of us. If UNPROFOR were here because of us, then it would be helping the Serbian people as it is helping their opponents.

We Are Defending Our People, UNPROFOR Is Defending Its Salaries

[Lalovic] You spoke about the meeting with Gen. Clarke. You also had frequent meetings with other west European officers who now wear blue berets and who are also familiar with the situation here. Their views often do not correspond to the events on the ground and the results achieved by the troops under the UN flag. When I say this, I am primarily referring to the events concerning the protected zones.

[Mladic] UNPROFOR, as people would say, has exceeded its mandate. This happened, I would say, primarily because of the carelessness of some very responsible people, as well as the influence of some governments and their interests. UNPROFOR has partly transformed itself into logistics support for the Croat-Muslim coalition. It even acted as a taxi service for their politicians and generals. Some units, as was the case near Bihac, were even building fortifications for the Muslims, not to mention bridges, tunnels, and other strategically important facilities that were built for our opponents by UNPROFOR. [passage omitted] Most UNPROFOR members, mainly soldiers, are performing their duties correctly. However, they are at the same time sacrificed by the behavior of the leading people. One should say that a large number of commanders want to carry out their job within their mandate, but are not doing it because they are under enormous pressure from the governments of the countries that they come from. Why is the bombing of the Serbian positions called for when we are in a war against the Muslims, and why is no action demanded when members of UNPROFOR are killed by our enemies on the Muslim territory or the territory controlled by the Croats?

[Lalovic] About 170 of them have been killed so far.

[Mladic] More than 200. Fortunately, in the past three years, none of them were killed on our territory because of our forces' wrongdoing. [passage omitted]

[Lalovic] During this interview, you mentioned several times that the situation in the world is becoming increasingly complicated. There are new hot beds of crisis. How do you see the new current military situation in the world?

[Mladic] This question is fairly complicated and a more comprehensive analysis would require more time. Comparing the current situation in the world with that of five or even 10 years ago, one could say that the current situation is very worrying. We are now witnessing a birth of the strategy of creating civil wars with the aim of realizing the interests of big powers. I am primarily referring to the countries in the West, although not all of them. They are aware that they cannot mobilize their people to wage regional wars for the interests of the ruling oligarchies. This is why they are using their extended hands. On the territory of the former Yugoslavia, they stirred up the Croats and then the Muslims, and they thought that they would quickly, with the help of television pictures as those from Haiti and Somalia, end the job. Since they did not succeed, they created a higher form of the Muslim-Croat coalition, and within it an armed formation. When they did not manage to do anything even with the help of money, because our opponents are not a match for us, then they brought teams of experts. Many of these were disguised as various missioners who were presented as humanitarian workers. I do not want to unmask them at this time, but the time for that will come. This will all be in vain. [passage omitted]

[Lalovic] What do you expect from the peace mission of former U.S. President Jimmy Carter?

The commander of the General Staff of the RS army expressed the hope that this was a well-intended visit, saying that Carter is a man of respect and that he assumed that Carter was not embarking on this mission without background knowledge. He also said that every mission, including this mission, if it leads to peace, will be well received by our leadership and people.

[Mladic] The Serbian negotiating team also proposed peace at the last Geneva meeting. What is important is to stop the war, and when this is done, negotiations can last five years if need be to settle all misunderstandings.

We Will Not Make Concessions to Anyone

[Mladic continues] At the future negotiations, the international community must treat all parties to the conflict equally, otherwise a solution will be very difficult to find. One should know that the Croats and the Muslims represent only the first echelon of the forces that are supposed to realize higher interests in the Balkans. The question that is now being asked is whether Europe will be Islamicized, whether the Balkans will perhaps be Islamicized, or whether this region will be Germanized. I know that the cards will be shown even more in the period ahead, and that influences from outside will become more noticeable, especially in view of the fact

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that the crisis, if I may used the term, is gaining in gallop. The question is whether this can still be controlled. At present, responsibility lies with all those performing political and military duties. It is high time to put a stop to the war. We are ready for serious negotiations at the highest level. We are also interested in the final agreement that would secure the lasting cessation of hostilities in this region. The Netherlands aircraft from NATO are bombing us and at the same time they are asking us to let its food convoys to reach its soldiers in Srebrenica. This does not represent an equal treatment of the parties to the conflict. This is not the way to work with the Serbian side. They cannot bomb us with aircraft and at the same time expect from us to say to their children in blue helmets: Please do cross our territory; cross over the Drina River and go home for the Christmas holidays. We view Jimmy Carter's visit in this context. If he is coming here, he should not stay only one day or one hour. Let him stay as long as he likes, and when he examines the situation as a man of authority, he should present it to the political factors that make political decisions on whether there will be war or not, and what shape it should assume. It is dangerous to play with wars in any spot in the world, especially in Europe, considering the power of interests and concentration of arms. [passage omitted]

I would like to end by saying what I stressed on 12 May 1992, when I assumed the duties that I now perform. We must work and fight, protect every millimeter of our territory. We must not let up and make concessions to anyone. How things will develop politically, this is another matter. While the war is taking place, every soldier must defend his trench because behind his trench is his land. This is the task of both the army and the people, because we must know that some powers are trying to create large rifts among the Serbian people and its leadership as a whole. We have solved the initial problems, they are behind us. The Serbian people must realize that they can defend themselves only with the maximal unity. We will survive, no one can destroy us. [passage omitted]

Serbs To Honor POW Exchange Agreement

LD1001213195 Belgrade TANJUG in English 2124 GMT 10 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 10 (TANJUG)—Bosnian Serb Health Minister Dragan Kalinic said Tuesday that the Bosnian Serbs would honor the Dec. 31 prisoner-of-war exchange agreement signed with the Muslims.

The Bosnian Serb news agency SRNA quoted Kalinic as making the statement after a meeting with Andreas Fifner of the International Committee of the Red Cross [ICRC] for the Bosnian Serb republic. The meeting was attended by Bosnian Serb Vice President Nikola Koljevic. Both Bosnian Serbs and Muslims have given the ICRC permission to visit all prisoners, which the ICRC has not been able to do so far, and which is vital for making plans for their release. Kalinic said the prisoner-of-war exchange would be discussed in detail at Sarajevo airport soon.

Bosnian Serbs and Muslims signed a Bosnia-wide four-month truce on Dec. 31, which took effect on new year's day and which envisages for exchanging prisoners and providing information about persons missing in the three-year-old Bosnian civil war.

Ganic Views Four-Month Cease-Fire Agreement

AU0901175395 Zagreb VECERNJI LIST in Serbo-Croatian 3 Jan 95 p 7

[Interview with Dr. Ejup Ganic, member of Bosnia-Herzegovina Presidency and deputy president of the Bosnia-Herzegovina Federation, by Azra Kaurin; place and date not given: "We Will Respond to the Breaking of the Cease-fire"]

[FBIS Translated Text] *During the last hours of 1994, the four-month cease-fire agreement was signed by the Bosnia-Herzegovina Army and the Serb aggressor. The Bosnia-Herzegovina delegation at these negotiations was headed by Dr. Ejup Ganic. The agreement was signed despite the cease-fire being broken in the Bihac area.*

[Kaurin] The cease-fire agreement has been signed. What is next?

[Ganic] We will not ask anything more from the chetniks. We have demanded of UNPROFOR [UN Protection Force] that UN Security Council Resolutions 824 and 836 on safe areas finally be observed. Moreover, UNPROFOR must finally say who is to defend these areas if they are attacked. We are fed up with the way in which certain UNPROFOR commanders have been avoiding carrying out their clearly and specifically stated obligations. We have told them that. The point is not the mandate, but certain generals who interpret the mandate as if they had graduated from the military academy at Banjica [in Belgrade]. Furthermore, we have demanded that UNPROFOR answer the question of who will defend the safe areas in the case of a "vacuum," that is, if the UN forces leave Bosnia-Herzegovina, and so on.

Chetniks "Transferring" to Islam

[Kaurin] Last week, UNPROFOR denied your statement that Martic's forces were part of Abdic's paramilitary formations in Velika Kladusa.

[Ganic] The whole world knows that the Serb troops from Kninska Krajina, the UNPA's [UN Protected Areas] in Croatia, have been crossing the border and entering the Republic of Bosnia-Herzegovina. Everyone knows this except UNPROFOR commanders and some of the governments they represent in the Republic of Bosnia-Herzegovina, because they do not want to know. Martic and Karadzic have even changed the names of their troops in Cazinska Krajina and the Bihac area, they even changed the religion of their Orthodox Serbs—they

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have turned them into Abdic's Muslims. All that is left for Dudakovic's men to do is to circumcise them. On 28 December, 10 tanks, 20 armored personnel carriers, and 4,000 of Karadzic's chetniks arrived in this part of Bosnia. These chetniks had trained for seven days so that they could be "Babo's soldiers" [Abdic's] in front of the TV cameras. On their arms sleeves they wore the badges of Abdic's autonomy, which had arrived from a Belgrade textile factory and had just been sewn on.

Both Karadzic's Serbs and UNPROFOR support the demilitarization of Bihac. This is unacceptable to us, and only our army can guarantee the safety of the citizens of Bihac. If UNPROFOR can offer a greater degree of safety to the civilians in the Bihac area, we will analyze their proposal with great pleasure. However, I do not think that UNPROFOR has commanders like Dudakovic or men who are as brave as the defenders of Bihac.

Who Obstructs Humanitarian Aid?

[Kaurin] What will you do if the aggressor keeps breaking the cease-fire and continues to refuse to sign the Contact Group peace plan?

[Ganic] Diplomatic, naturally, the Bosnia-Herzegovina Army will respond firmly in a military way to any breaking of the cease-fire on the part of Karadzic's Serbs.

[Kaurin] Do you still believe that the arms embargo imposed on Bosnia-Herzegovina will be lifted in spring?

[Ganic] The answer to this question is a military secret.

[Kaurin] Why is the delivery of aid to Bosnia-Herzegovina from the countries that have offered it not allowed at the time of a disastrous humanitarian situation?

[Ganic] The countries that tolerate Serbian fascism are responsible for the planned slowing down of the supply of humanitarian aid to the hungry population in Bosnia-Herzegovina. Moreover, the aid that is unloaded in the ports of the Adriatic is difficult to get to Bosnia. The ministers in the Government of the Republic and the Federation of Bosnia-Herzegovina have informed me that the customs post at Doljani is not under the control of the Republic or the Federation.

UNPROFOR has recently made a preliminary cancellation for organizing transport to the humanitarian workers from the Islamic countries. Everyone says that this would not have happened if Akashi were a Muslim. However, Akashi has promised he would reexamine this decision, which, as he said, had been seen as racist, and compromising the United Nations as a community of equal peoples.

Steps Toward the Federation

[Kaurin] The latest session of the Constituent Assembly in Zenica was interrupted. Is there not a danger of a parliamentary crisis?

[Ganic] The session in Zenica should not be dramatized. There was simply no quorum, so no decisions could be made. Before the voting, it was established that not enough representatives of the HDZ [Croatian Democratic Community] of Bosnia-Herzegovina were present at the session. In democratic countries, there is not much excitement about several representatives not being able to attend. In negotiating about the future of the Federation, other parties should also take part in creating the solution. However, the truth is that there are two parties in power in these areas—the HDZ and the SDA [Party of Democratic Action]. This is the result of the elections, and things cannot be changed until the new elections.

[Kaurin] You said at a meeting in Mostar that, if the Croats made a step forward, the Bosniak-Muslims would make two. Where are these steps?

[Ganic] The obstacles are in certain people who have the power on the ground; they have money and power, and they buy force. The Federation has been kicking it out of their hands, and that is why they are doing their best to preserve the status quo.

The establishment of the Federation means the introduction of the rule of law. The Federation means the establishment of democracy and an end to banditry and autocracy. The Federation has come to life on the territory under the control of the Bosnia-Herzegovina Army—viewed through the election of local authorities and the application of the legal regulations in accordance with the Washington and Vienna Agreements—to a 75-percent level. In the parts of Bosnia-Herzegovina under the control of the HVO [Croatian Defense Council], this percentage is up to 20 percent in some areas. However, the fact that the senseless war between Bosniaks and the Croats has stopped speaks for itself. Look at Kupres, and everything will become clear. The military cooperation of the two peoples, their armed forces, is good, and it is going as planned. It has yielded results.

In order to speed up the Federation process, we will ask our common friends to determine a sort of supervisor to observe the process of implementing the Federation Constitution on the ground. This team of supervisors would consist of our common friends from Germany, the United States, Austria, and Turkey.

"The Beginning of the End of Russia"

[Kaurin] Vladislav Jovanovic said recently that President Izetbegovic offered to allow Radovan Karadzic to buy off part of Bosnia—allegedly at some secret negotiations.

[Ganic] This is only one more in a series of lies.

[Kaurin] What are the similarities between the war in Chechnya and that in Bosnia-Herzegovina?

[Ganic] There are almost no differences in method and goal. The tactics and the strategy are the same. Both the

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attacks against Groznyy and against Bosnia-Herzegovina began as classic Soviet offensives from the end of World War II—broad, large-scale actions of lines of tanks toward Groznyy and, here in Bosnia- Herzegovina, toward Brod, Bijeljina, Foca, Visegrad, Sarajevo—mass aerial bombing, propaganda, the concealment of the truth, the support of the Orthodox Church in both cases, and even statements such as "the Chechens are bombing themselves...."

There is one difference: the Republic of Bosnia-Herzegovina has been recognized by almost 100 countries, while Chechnya has not been recognized by anyone yet.

Everything the Soviet war doctrine has in stock—everything except nuclear war—has been used in Chechnya and the wars in Croatia and Bosnia-Herzegovina. This war is a product of not only the same politics and doctrine, but the same headquarters, military authorities, and military thought.

Behind this, lies the general invitation to a crusade, the goal of which is to organize another October Revolution and restore the Soviet Union.

I am afraid that Bosnia-Herzegovina and Croatia were only testing grounds, locations for the rehearsal of the performance that is now underway. The first location is Chechnya, the rest will be all over the former Soviet Union and beyond. However, the Russians are sawing off the branch that they are sitting on. They are killing Muslim Chechens. The Americans said it was a Russian internal issue. They fell for it, and the Russians are now attacking even more fiercely. They do not understand that they have to eat—and who is going to feed them if the Islamic world turns its back on them because of genocide against Muslims? The United States cans, the expiry dates of which are even now in the past, will be the most expensive for them. This is the beginning of the end of Russia as a coherent and stable country.

A Balance on the Balkans

[Kaurin] Will there be another war between the Bosniak Muslims and the Croats in Bosnia-Herzegovina?

[Ganic] No! There will never again be such an unnecessary and pointless war, which served only the interests of Belgrade and Pale.

There will be a balance on the Balkans only if Croatia and Bosnia-Herzegovina unite militarily, because Serbia cannot deal with our joint armies and our joint military force. The factor of stability on the Balkans is the joint Croat-Bosniak readiness and determination to put an end to the Balkan fascism with the joint forces.

I see no reason why this has not been done. The relations between the Republic of Croatia and the Republic of Bosnia-Herzegovina are good overall. However, regular, everyday meetings should be established from the bottom up.

[Kaurin] Mr. Ganic, we often see you on the leading foreign TV stations—CNN, BBC, ZDF, and RFI—and the press have proclaimed you "the main pillar of Bosnia's state politics." What is your view of that?

[Ganic] I am doing my job, along with all those who have a just peace in Bosnia in their hearts. Naturally, sometimes we are successful, and sometimes we are not so successful.

[Kaurin] How about after the war?

[Ganic] Let the war finish first, and then we can settle everything else easily.

[Box, p 7]

Carter's Visit

[Kaurin] What is your assessment of former U.S. President Carter's visit to Bosnia-Herzegovina and his trip to Pale?

[Ganic] There have been various assessments. We agreed to cooperate with Carter because we wanted to show our people that we will listen to anyone talking about peace. Karadzic invited Carter to help him destroy the Contact Group plan. I think that Karadzic did not manage this, nor could he misuse the personality of the former U.S. President.

However, from our point of view, during Carter's visit, the problems of human rights in the Republic of Bosnia-Herzegovina were revitalized at a higher level, and a series of issues was raised, especially that of the missing persons, which is the Chetnik expression for killing Bosniaks and Croats. We know the exact names of almost every Bosniak and Croat in Bosnia-Herzegovina who has been killed and whom chetniks have registered as "missing persons." They will have to admit that these people were killed sooner or later, or state the names of the mines and camps in Serbia to which they were taken for hard labor—to state that they are not missing. Moreover, part of the international community has been talking about ethnic cleansing, thus systematically avoiding calling this by its proper name—genocide. In that sense, Carter's visit was useful for us.

Presidency Member Meets U.S., French Ambasadors

AU1001180195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 10 Jan 95

[FBIS Translated Text] Mirko Pejanovic, member of the State Presidency and chairman of the Serbian Civic Council, received today Victor Jackovich, U.S. ambassador to our country.

Ambassador Jackovich stressed the need for the international community to keep to the plan and the map of the Contact Group and for that plan, which is supported by the United States, not to be changed. As regards the agreement on cessation of hostilities, he pointed to the

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need to respect that agreement and to begin implementing it in the areas where battles are still being waged, such as the Bihac Region.

Both sides assessed that the cessation of all combat activities and opening of Sarajevo, that is, blue roads, is the basic way to move the peace process from the deadlock. Also touched upon were the issues connected with the problems of establishing and the functioning of the Federation, as well as the forthcoming meeting of the Assembly of the Federation of Bosnia-Herzegovina.

Pejanovic reiterated the request of the Good Servicers Committee, comprised of the ambassadors of the United States, Germany, Austria, and Turkey, to make one more effort with a view to having the questions linked to the assembly session be solved more favorably and ensuring prospects for the Federation.

According to Pejanovic, there are (?certain) tensions that threaten to [words indistinct] aggravate, as regards the position of ethnic Serbian citizens in the Federation and their role in the life of the Federation. Pejanovic said that one needs to improve, that is, find some new solutions to the constitutional position of the ethnic Serb citizens.

Mirko Pejanovic today also met Henri Jacolin, French ambassador to our country.

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Croats, Serbs Set for Talks at Zagreb Airport

LD1101114695 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 11 Jan 95

[FBIS Translated Text] Talks between the Croatian state delegation and the Serbs from the occupied territories, with the participation of peace mediators Owen and Stoltenberg, are scheduled to begin at 1000 [0900 GMT] at the UNPROFOR [UN Protection Force] base at Zagreb's Pleso Airport. Tihomir Vinkovic reports:

[Vinkovic] The talks will focus on implementation of the agreement signed on 2 December 1994. Chief Croatian negotiator Hrvoje Sarinic and Assistant Interior Minister Josko Moric are already at the airport. Hrvoje Sarinic said that this meeting should not be regarded as decisive and final, although the process as a whole should. It is still not known whether the representative of the Serbs from the occupied territories has arrived; according to available information, this should be [Serb Krajina prime minister] Borislav Mikelic.

Sarinic Insists No More Concessions to Krajina

LD1001184995 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 10 Jan 95

[FBIS Translated Text] Hrvoje Sarinic, head of the president's office and main negotiator with the Serbs from the occupied [Croatian] areas, has held talks in Zagreb with peace negotiators Owen and Stoltenberg. Tihomir Vinkovic has the story:

[Vinkovic] They discussed the implementation of the agreement signed on 2 December last year. After the talks, Sarinic said that the agreement must be implemented and that Croatia cannot back down any more or make any more concessions.

[Begin Sarinic recording] Our stances and our position are completely clear. We will not back down on what we signed. The balance of power and the balance of interests are such that I do not think that the agreement will not be implemented. [end recording]

[Vinkovic] Hrvoje Sarinic added that Yasushi Akashi has informed him that everything is fine on the [Zagreb-Lipovac] expressway now. Croatian experts will soon check this.

All points from the agreement have to be implemented because Croatia is not willing to make any compromises. We have been flexible enough so far, and we have no intention of going any further, Hrvoje Sarinic said.

Owen and Stoltenberg briefly said that they are going to Belgrade and announced talks at [Zagreb's] Pleso Airport for tomorrow. The talks will be attended by representatives of the Serbs from the occupied areas.

UN Policy 'Myopic, Detrimental' to Peace Process

LD1101103795 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 11 Jan 95

[FBIS Translated Text] Mario Nobilo, Croatia's ambassador to the United Nations, has sent a letter to the UN secretary general in reply to the 5 January report submitted by the cochairmen of the conference on former Yugoslavia. Nobilo stresses that the policy of appeasing the Serbs from the UN protected areas in Croatia by supplying them with fuel is myopic and detrimental to the peace process.

Government Not To Extend UNPROFOR Mandate

AU1101104495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 11 Jan 95

[FBIS Translated Text] The Croatian Government has announced that it will not extend the mandate of the UN peacekeepers in the Croatian areas under Serb occupation. Explaining this decision, Croatian Prime Minister Nikica Valentic has said that the Blue Helmets have not carried out their task. They have only maintained the status quo, and even supplied the rebel Serbs with fuel and staple goods.

Croatian President Franjo Tudjman will inform UN Secretary General Butrus-Ghali of the Croatian decision tomorrow, Prime Minister Valentic said.

General Petkovic Reassigned to Croatian Army

94BA0067A Zagreb VJESNIK in Serbo-Croatian 30 Nov 94 p 11

[Article by Zeljko Buksa: "General Petkovic Is Returning"]

[FBIS Translated Text] *General Milivoj Petkovic, born in Vrpolje, near Sibenik, is returning to the Croatian Army [HV], which he left voluntarily in 1992 for the Croatian Defense Council [HVO].*

Zagreb—The dilemma of where Major Gen. Milivoj Petkovic, until recently the chief of the HVO General Staff, who was replaced in that position at the end of the summer by Maj. Gen. Tihomir Blaskic, should go has finally been resolved. As we have learned, Gen. Petkovic has become chief of staff of the Osijek Corps Area, replacing Brigadier Darko Grdic, known as one of the commander's of the Zagreb defense at the very beginning of the war, who has moved to a new position at the HV General Staff.

There is no doubt that Maj. Gen. Djuro Decak, commander of that HV Corps Area, has gained an experienced colleague. Specifically, 44-year-old Milivoj Petkovic, currently a general, born in Vrpolje, near Sibenik, graduated from a military academy in the former JNA [Yugoslav People's Army], and held several positions until the beginning of 1991, when he left the aggressor's army and joined the HV's 113th Brigade. In the middle of April 1992, after the battles at Kupres, he voluntarily joined the HVO.

He spent almost the entire time in the position of chief of the HVO General Staff, and was replaced only briefly in that position by Generals Ante Roso and Slobodan Praljak.

According to him, after spending almost two and a half years in the HVO, after Gen. Rose went to Sarajevo, he

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himself asked to leave that area. "I was tired, and someone younger needed to come. I have been separated from my family for three years," Gen. Petkovic explained his rather sudden departure.

After briefly working with Gen. Blaskic regarding the transfer of duties, he went on leave in August 1994, and requested that he return afterwards to the HV, which he left for the HVO as a volunteer. He also, however, indicated the possibility of coming back if the peace initiatives failed and the war in Bosnia-Herzegovina flared up again, because that, as he stated, was his moral obligation, because he headed the HVO the longest.

It is hard to believe, however, that he will decide to go back soon after his appointment to his new position, even though the conflicts in Bosnia-Herzegovina have been escalating lately, and his war experience from Bosnia-Herzegovina, depending on how the situation develops, could also be needed in the future in eastern Slavonia.

Report Outlines Defense Plans, Army Strength

AU1001212995 Zagreb DANAS in Serbo-Croatian 3 Jan 95 pp 24-25

[Article by Boris Komadina: "Power Is a Great Argument"]

[FBIS Translated Text] The real power and readiness of the Croatian Army, in the situation in which the Croatian state finds itself at present, is certainly the most important issue of the existence of the Republic of Croatia. Having emerged from the first police formations, in the Yugoslavia that was recognized at the time, the Croatian Army grew in the Homeland War. During the past two years of "neither war nor peace" the Croatian Army and its organization, as well as the consolidation of its power, were often a matter of close observation by the public. Although the real power and readiness of each armed force can only be tested in carrying out military and combat operations, it is possible to get a picture of the power of a certain army on the basis of many peacetime indicators, such as the level of training (determined at combat exercises), or the quantity and quality of weapons at the army's disposal. The painful negotiations between the Croatian authorities and the rebel Serbs, as well as the announcement that the UNPROFOR [UN Protection Force] mandate would be cancelled after 10 January 1995 unless significant progress is made in reintegrating the temporarily occupied territories, have again raised the interest of the local and international public in the real power of the Croatian Army.

Some 10 days ago, within the annual exchange of military information among the OSCE members in Vienna, the official Croatian delegation for the first time publicly presented information and documents concerning the organization of Croatia's defense. The document, divided into five chapters and consisting of 16 pages [number as published] attracted much attention of all the conference participants. The second chapter, the title of which is "Defense Policy and Defense Doctrine," and the third, "Armed Forces Development Planning," were the subject of greatest attention. The remaining three chapters list the data concerning earlier defense expenses, the military budget for 1994, and the like. The last chapter consists of three tables which state in detail how much was spent in 1992, 1993, and 1994, and in what way, by the previously adopted items.

The Defense Policy

The basis of the overall concept of Croatian defense policy is stated first, and it says: "The aim of the Croatian security policy is to preserve the freedom, territorial integrity, and national independence of the Republic of Croatia. The aims of our defense policy are to secure the freedom of independent actions and/or, in cooperation with other democratic countries, to facilitate the development of our society in the political, economic, cultural, and all other aspects, in all the possible situations and using the methods we consider the most appropriate, in accordance with the highest international standards. The main characteristic of our security policy, which we conduct independently and in cooperation with other interested parties, is providing support to alleviating the tensions and achieving disarmament and democratic development and cooperation in the areas of Central and Southeastern Europe."

Moreover, the document for the first time presented the specific tasks that the defense doctrine of the state of Croatia put before the Croatian Army. They are as follows: "1) Defending the territorial integrity of the Republic of Croatia in peacetime and periods of tension; 2) Warding off sudden attacks during periods of tension; 3) Organizing defense and breaking invasions; 4) Liberating the country and throwing out the aggressor; 5) Organizing formations for peacekeeping operations; 6) Training for and employment of military formations in natural disasters." This shows that the Croatian Army has no internal political tasks, which the former JNA [Yugoslav People's Army] had in preserving the regime of the time, except in exclusively humanitarian tasks, such as helping in cases of natural disasters. Furthermore, it is said that, at the request of the United Nations, the OSCE, or the country suffering the disaster, the Croatian Army formations may help, but only following the order of the president of the Republic.

The Structure of the Croatian Army

The third chapter—"Armed Forces Development Planning"—provides a review of the structure of the Croatian Army according to the classical scheme of division into navy, air force and antiaircraft defense, and land forces. Their main duties in defense are stated, and special attention is paid to the Home Guards as the traditional Croatian form of defense military organization.

Apart from these global tasks, the Croatian delegation was obliged to report concrete figures on the power of the Croatian armed forces. The most interesting thing for

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the public in this matter is that the OSCE rules do not necessarily expect the member countries to report weapons that are being developed or weapons tested to be introduced in operational use. Moreover, formations smaller than a regiment need not be reported. The organization of the Croatian Army as stated in the document says that the Headquarters, the Chief of Staff, which is General of the Army Janko Bobetko, is the highest body of operational command. The chief of staff is directly subordinate to the president of the Republic, that is, the defense minister in the area of authority that the president of the Republic assigns to the defense minister. The document submitted by the Croatian delegation in Vienna says that there are 63,000 soldiers under the command of the Headquarters. This figure certainly does not represent the real power of the Croatian Army. We should remember that, for instance, before the conclusion of the so-called Sarajevo Cease-Fire on 3 January 1992, Croatia had 250,000 soldiers under arms. It is also stated which formations are under the direct command of the Headquarters, which formations are organized within regions and which regions they are, what their size is, and the quantity and types of weapons they have. This relates to land forces, the amphibious formations, and the Air Force.

Most Weapons From the East

The kinds of weapons that were reported mostly originate from the East, that is, they are part of the former JNA's weaponry. As far as tanks are concerned, the Croatian delegation stated that the Croatian Army had 176 tanks, of which 27 are M-84, 140 are T-55, and only nine are T-34. Although among the armored vehicles there is the Croatian-produced light armored vehicle LOV T 10P, the infantry combat vehicles of the JNA still prevail. As far as the Croatian Army's artillery systems are concerned, the figure of 1,098 guns was stated in Vienna. Dominant among them is the 155-mm M2A1 of U.S. origin. The most powerful Croatian howitzer is the 203-mm, and most of them were confiscated from the former JNA. The gun is still the largest caliber on the territory of the former Yugoslavia. The antiarmor system that the Croatian Army possesses is becoming more modern and improved by the day. The most numerous are the Maljutka and the M-83 antiarmor vehicles, and the antiarmor launch set FAGOT 9K111 was also introduced. As far as the Navy is concerned, the Petar Kresimir IV and Sibenik gunboats are the most deadly ships of this kind in the Adriatic waters.

The Air Force was introduced, before the Vienna meeting, at the military exercise demonstration Poseidon 94. MiG-21 and antiarmor helicopters are the pillar of the defense of Croatian airspace.

As far as infantry weapons are concerned, the standard caliber of the Croatian Army assault rifle has not yet been officially presented, as is customary in Western countries. The AK-47 Kalashnikov, in various versions, is still the most common. Among the antiaircraft systems mostly standard weapons were presented: 20- and 40-mm antiaircraft guns and the Strela-1, Strela-2, and Strela-10 missile systems.

In comparison with last year's situation, not to mention that of the previous three years, it is clear that Croatia has beefed up its Armed Forces and that it has significantly increased its firepower, which is probably the best possible argument in the painful negotiations with the rebel Serbs.

Official Discusses Secret Services Roles

AU1001213895 Split SLOBODNA DALMACIJA in Serbo-Croatian 3 Jan 95 p 6

[Interview with Branko Primuzak, assistant defense minister in charge of the Security and Intelligence Service, political activities, and personnel management, by Jasna Plevnik; place and date not given: "Information 'Leaks' Are Not a Sign of Democracy"]

[FBIS Translated Text] *The first parliament reading of the Law on the Office for National Security has stirred up in the media a storm of articles on the activities of the Croatian secret services. One of the papers went so far as to establish that Croatia has more or less been caught up in total espionage, and that it is not far from Orwell's "1984". As far as intelligence or counterintelligence services are concerned, it is clear that the public wants to know everything about their activities, so whatever is said about the Croatian Intelligence Service, the Service for the Protection of the Constitutional Order, the Military Intelligence Service, or the Security and Intelligence Service [SIS], sells like hot cakes.*

One of the people in charge of the activities of the SIS at the Defense Ministry is Branko Primuzak, since recently assistant defense minister in charge of the SIS, political activities, and personnel management. Considering his work, he is one of the people about whom the public knows perhaps too much. Namely, a Croatian tabloid recently published a photograph of his house and his address, close to the frontline, which could present a direct threat to his safety. Even in the oldest of democracies good media customs demand that things like that not be done, particularly when the country in question is in a state of neither war nor peace, said Primuzak, who, when we were arranging the interview on the SIS activities, told us: "All you have to do is browse through the so- called yellow press—everything is there, documents bearing the sign of the ministry are regularly published there." Before being appointed to this important position, the new assistant defense minister was, for 15 years, commercial manager for the renowned Croatian firm Zece, but he left the job and joined the Croatian Army as a volunteer in the summer of 1991, and was one of the organizers of the defense of Duga Resa.

[Plevnik] How can the activities of a secret service such as the SIS be at all public, and what can the public actually know about the activities of such a service?

In the Service of the Constitution

[Primuzak] There is no doubt that the public in democratic countries such as Croatia must have a general knowledge

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of the scope of activities of a service such as the SIS and the way it operates. In totalitarian regimes this would be unthinkable, and the activities of such services are under a veil of mystery, so the people are very much afraid of these activities. The mere fact that the SIS is under the control of parliament speaks clearly of democracy being indeed sensitive to the SIS activities. I personally believe that the public is well acquainted with our work, which, as is known, is particularly important for national security.

[Plevnik] On what principles does this military counterintelligence service function?

[Primuzak] The SIS carries out the professional jobs concerning security, the defense of the country, and the protection of the Defense Ministry and the Croatian Armed Forces. In carrying out its jobs, the service must, naturally, abide by the Constitution and the laws of Croatia in order to protect the fundamental human and civil rights. Therefore, in accordance with democratic standards, the SIS operates on the principles of law, and I believe that the Law on the Office for National Security, which is now being considered, should secure the optimum preconditions for creating an efficient Croatian security system, part of which is the SIS.

Personnel Changes

[Plevnik] In the West there is not too much mystification of such services. What services of the same kind have been models for the SIS?

[Primuzak] It is our wish to professionalize the service and improve it to the level of the well-known services of Israel (Mossad), the United States (CIA), or Britain (MI5). The SIS was being formed under difficult conditions of war, under a personnel mortgage of a certain kind. I would say that the time of voluntarism and inertia is behind us, and that professionalism is now in the center of attention. There were people who wanted to continue the old pattern of mystifying the activities of the service, but we have prevented that through personnel changes. Some people may feel that there is too little information concerning our work, but it is a well known thing that, because of the specific jobs and obligations we are faced with, the public cannot have the insight into our work in a specific segment. There is no such thing as "a public secret service", but the mere fact that we are under the control of the parliament shows that the SIS is a service that is under democratic control.

[Plevnik] How much truth is there in the writing of some foreign, and even local papers, which say that Croatia is one of the important espionage centers in the Balkans?

[Primuzak] There is no doubt that intelligence services worldwide find Croatia very interesting because of its geostrategic position in Europe. Our significance has become all the greater with the bloody war that is taking place on the territories of the former Yugoslavia. It is known that the war in Croatia and Bosnia-Herzegovina has had a significant influence on the overall development of international relations in the world community. Parallel to the diplomatic activities, behind what we call world politics, there is much intelligence activity on the part of the countries interested in this war conflict, that is, the greater Serbian aggression against Croatia and Bosnia-Herzegovina. There is no doubt that the collected intelligence information has significantly contributed to the creation of the strategic political approach of certain countries toward the war events in Croatia and Bosnia-Herzegovina.

[Plevnik] Is there a tendency for the party in power to influence the activities and control of the SIS?

[Primuzak] The nonparty nature of the Croatian Army is a well-known fact, and activities of political parties are not allowed within the SIS. The only criteria for working in the SIS are morals and professionalism. I categorically refuse any implication of the party in power being involved in the work of the SIS.

There Was No Corruption

[Plevnik] What will you work toward as assistant defense minister in charge of the SIS?

[Primuzak] Strict professional criteria in selecting the people for the service will come first. We will make it possible for the prominent participants in the Homeland War who are already in the SIS and do not have the necessary education, to acquire the appropriate military education. Some papers have published confidential military documents, so there is no doubt that this information has been "leaking" from certain military institutions. Such activities are strictly prohibited everywhere in the world, and they are liable to criminal punishment. Unfortunately, the practice here was that certain people took it as the "standard of democracy" in the Croatian Army and the Defense Ministry. We will certainly pay special attention to systematically dealing with such harmful activities. Generally, we are going to have to increase the necessary level of consciousness concerning security in all the members of the Croatian Army, even more so since we have witnessed some high military officials polemicize in public by presenting confidential information concerning the security of the country, thus confusing the Croatian public as well as the members of the Croatian Army. We must put a stop to this practice.

[Plevnik] About the time you were appointed to this position GLOBUS published some serious accusations concerning corruption in connection with apartments while you were president of the Housing Committee of the Defense Ministry as a volunteer. Why have you not denied this?

[Primuzak] Because I believe—in principle—that one should not pay attention to the writing of sensationalist papers such as GLOBUS. This is the only reason I have not denied the writing about the alleged corruption. This is an opportunity for me to say that I resolutely disclaim everything that GLOBUS wrote about me, because it is absolutely not true.

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Article Lists Alleged 'Leaders' of University

AU1001192095 Skopje VECER in Macedonian 10 Jan 95 p 3

[Report by "B.Gj." and "Gj.E.": "Members of Parliament—'University' Leaders"]

[FBIS Translated Text] New developments related to the events regarding the constitution of the so-called Albanian-language university in Tetovo, Macedonia [The Former Yugoslav Republic of Macedonia] reveal how unyielding the two sides are. The first side, the "university board," held a session two days ago and decided to appoint university and faculty bodies, while the other side, the state, used the police to intervene and try and prevent it taking place. Other activities and events can only be inferred from what some of the participants have stated.

"Faculty" Leaderships

The proclaimed and appointed "president of the university," Fadil Sulejmani, was allegedly absent from Tetovo, and therefore we could not contact him. Those involved were a little more forthcoming about the issue that is of greatest interest to the public; the names of the persons appointed to the main "faculty" positions. Following the decision, leaders were appointed for the "university" and for six faculties, except for the Faculty of Islamic studies—the reason for which is as yet unknown. Beside Sulejmani, the "University Board" elected Murtezani Ismaili, former professor at the University in Pristina, and Sejfedin Haruni, a member of the Republican Assembly and member of the PDP [Party for Democratic Prosperity] as vice-presidents, while a student vice-president will be elected later.

Rahmi Tuda, a member of the Republican Assembly and a member of the NDP [People's Democratic Party), was elected dean of the Faculty of Philology, while Sami Ibraimi, a member of the Assembly and a member of the PDP, and Nedjbie Palosi, a professor in a Skopje secondary school, were elected vice-deans. Masar Kodra, a retired professor, was elected dean of the Faculty of Philosophy, while Tahir Zajazi and Nedjat Abazi from Gostivar were elected vice-deans. Some information says that Ramiz Abduli and Vebi Djemaili were elected vice-deans. Abdula Aliu (a lawyer) was elected dean of the Faculty of Law, while Arslan Biljali (unemployed) and Osman Kadriu were elected vice-deans. Bekir Zuta, development minister in the government, was elected dean of the Faculty of Economy, while Midjet Reci and Saban Prevala (vice governor of the Macedonian National Bank) were elected vice-deans. Murat Murati (Hisen Reci is also mentioned) was elected dean of the Faculty of Science and Mathematics, while Nedjbedin Beadini and Agims Sabani (unemployed, graduated in chemistry) were elected vice-deans. Ismail Hodja (a composer) was elected dean of the Faculty of Arts, while Meli Zenku (a painter) and Miftar Memeti (a professor in a secondary school) were elected vice-deans. Rufi Osmani (a member of parliament and affiliated to Taci's wing [break-away group of the PDP]), Mikjereme Rusi, and Miljam Fejzi were appointed foreign associates of the "university."

Party Reactions

We have discovered that yesterday's police intervention in Tetovo did not generate any major incidents. The police entered the offices of the NDP where the session was taking place, identified the persons that attended the session, and collected the documents that they were using in their work. Only Bedri Kamberi was escorted to the police station, because he did not have a Macedonian identity card, but he was released shortly. We could not find out at what point the police intervention took place, but as the Albanian side said "it happened after everything was over."

We are now expecting reactions from the actors after yesterday's "silence." The NDP, in whose offices all this took place, is planning to hold a news conference today. Party Secretary Bedradin Ibraimi informed us that the "party helped the board by lending its offices to the meeting and they will do so as long as the goal of the university is not accomplished." He also said that the state bodies are undertaking all possible actions to eliminate this party from the political scene.

One of the leaders of the radical PDP wing—"patriots"—Menduh Taci told us yesterday that this action "demonstrates that the government is Kosovizing" western Macedonia and that "we can now expect nothing but political problems." On the other hand, we could not get any commentary about yesterday's events from Abdurahman Aliti's PDP.

[Box p 10]

Disinformation

Regarding the news that Fadil Sulejmani was elected president of the so-called Albanian-language university in Tetovo and that the meeting was attended by members of the present state government—who were also elected as deans of some of the faculties—spokesman Gjuner Ismail stated the following: "It is disinformation. I do not understand the motive of the founders of this so-called university for including the names of government members on the list of deans, and I would like to not comment on it. The only thing I can say for sure is that this is not true."

Yesterday, Bekir Zuta, minister of development in the Macedonian Government, and Saban Prevala, vice governor of the Macedonian National Bank, said that they had neither been asked nor consulted on the possibility of being elected deans of the Faculty of Economy of the so-called "university" in Tetovo.

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[Box p 10]

Legal Authority

We asked the deputy secretary of the Ministry of the Interior, Dime Gjurev, about the latest activities regarding the so-called Albanian-language university in Tetovo.

"As far as the latest events related to the so-called university in Tetovo are concerned, the Ministry of the Interior is doing its work in conformity with its legal authority," Gjurev said. "In this sense, beside its latest activities, the Ministry of the Interior is undertaking further appropriate measures, and it is collecting data that are necessary for submitting charges."

Ministry Submits Charges

AU1001192395 Skopje VECER in Macedonian 10 Jan 95 p 3

[Report by "B.G.": "Charges Against Sulejmani"]

[FBIS Translated Text] We have found out from sources at the Ministry of the Interior that charges have been submitted against a number of the members of the so-called university [Albanian-language university in Tetovo] board. Charges have been submitted against Fadil Sulejmani, appointed "president" of the "university" because of all his illegal activities. Charges have been also submitted against some other members of the "board."

Daily Criticizes Government, Ministers' Abilities

AU1001141095 Skopje NOVA MAKEDONIJA in Macedonian 6 Jan 95 p 2

[Editorial by Erol Rizaov: "What Kind of a Government Did We Want—And What Did We Get?"]

[FBIS Translated Text] We wanted a competent and energetic government and the same kind of opposition. We did indeed get a government, but in view of the personalities in the ministries, we are not convinced that there is full harmony or competence. And there is no opposition at all.

The democratic processes in the state are proceeding very slowly, while no systematic principles of a civil society have started to function as yet. The administrative regulations have not been produced yet, and therefore civil rights according to European criteria, from the economic and social point of view, are not yet in place.

There are many indications that the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] is having difficulties in dealing with the political and economic stagnation in spite of some initial positive results. The most difficult period since the constitution of the state and the multiparty democratic system may still lie ahead.

There are a dozen pieces of evidence about such serious difficulties, which cannot always be noticed because the public's attention is turned to some other events, but they greatly affect the lives of ordinary citizens.

What are the dangers of a serious political and economic crisis?

The citizens of the Republic of Macedonia gave majority support in the elections to a capable, competent, and democratic power, as personified by the "Alliance for Macedonia." But it seems that this Alliance does not exist any more. Even during the elections there appeared internal rifts among the Alliance's coalition partners, and particularly among their leaders, and just before the announcement of the election results, the Alliance for Macedonia was reduced to three political parties fighting for their share of the power. The public was able to see this clearly. It soon became completely clear that the Alliance as an entity could no longer return to the political scene. Apparently it was created for a one-time use, even if not all the coalition partners knew this.

The citizens of Macedonia did not vote for such an outcome. The Alliance had every chance, regardless of its different programs, to be the leading force in the state for years to come. However, instead of reconciling certain differences and accepting a policy of compromise, the rapid disunity in the Alliance for Macedonia the moment it achieved its great success indicates signs of a looming political crisis caused not by the number of ministerial posts that the parties shared out among themselves nor in the number of scandals that rocked them just after the victory. These helped to indicate the great differences and different concepts concerning the political and economic development of the state among the four political parties that are now forming the government and have an absolute majority in parliament and absolute power in Macedonia.

What Are the Reasons for Disunity?

The differences among the parties are vast. For instance, their stances on the future investment planned for the Macedonian economy are vastly different, between $500 million and a billion. The parties have different positions on the stabilization process, denationalization, the degree of liberalization in the economy, the solution to social problems, companies that are not making any profits, and the place and role of the police, the army, the Department for Money Circulation, and the banks. There is a major struggle going on among these parties to attract certain banks and companies to their influence. Finally, there are great differences over how to resolve interethnic relations. These are the reasons for the disunity within the Alliance for Macedonia.

Differences are necessary and essential in multiparty systems and they represent a basis for the development of democracy. Nevertheless, when coalition partners form a joint alliance for the elections, and particularly if they then win the elections, they should sit down and

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hold serious discussions about the entire national and state interests and agree on the main development orientation of the state, and only then should they start selecting personalities to make up the government. All this activity requires experienced people with a scientific and competent approach to problems and with a great desire to make genuine compromises and show understanding, rather than follow narrow party needs and interests. Without such an approach no government can function and, if it is formed, it cannot last long.

If we add to this the personal intolerance of the leaders and almost all the leaderships of the three political parties that make up the Alliance and their inexhaustible daily activities to gain the support of the state president, it becomes clear why there is such a race for positions and for key ministerial posts. The reason is simple: The aim is to obtain more influence for their own policy goals because nothing was previously agreed among the coalition partners. Nobody trusts anybody, everybody is afraid of everybody else, and everybody is tripping up everybody else.

Party Activists in the Government

This disunity and personal intolerance among the leaders of the three parties of the Alliance, together with the unavoidable PDP [Party for Democratic Prosperity], which has its own interests, mean that we have a government of people with dubious abilities, mainly composed of party activists, most of whom have come to ministerial posts only to satisfy party pride and to satisfy certain personal appetites and even existential needs.

The Alliance for Macedonia has forgotten its great responsibility emanating from the promises that were made during the elections, as well as from the election declarations, where the interests of the state and of all its citizens regardless of their party, national, or confessional affiliation was emphasized above all. These enormous tasks force the Alliance's political parties to cooperate with one another and not indulge in quarrels and disunity. In the initial period after coming to power, there was the impression among the public, particularly after a series of scandals, that the winners were acting irresponsibly toward the people and the state. Unfortunately, there was no readiness within the Alliance for Macedonia to reveal the truth about the scandals or to make political concessions because of these events.

Immediately after the great victory, which they themselves had not expected, the Alliance for Macedonia should have proved that they had nothing to do with two scandals: "Hard Rock" [a discotheque smashed up by a group suspected of being the bodyguards of some of the party leaders] and "Park" [a discotheque in which a young girl was killed in a riot that began for unknown reasons]. Instead they entered into conflict by making accusations against one another. Before clearing up the situation after these two incidents, a government was formed that will have to bear the awkward accusations about the links between the SDSM [Social Democratic Alliance of Macedonia] and the Skopje underground throughout its mandate, assuming that it manages to complete the mandate.

After these two scandals had been covered up, they formed a government as if nothing had happened. The government was formed of people that had contributed to the electoral campaign and not people who were capable, and in doing this some were simply shifted from one department to another. There was no reply to the very simple question posed by the public: If they had been good ministers, why were they now being transferred to other departments, and if they had not been good ministers, why were they now being given new votes of confidence? Others were appointed ministers following interparty agreements, while others have simply moved from previous duties that remain unfinished and decapitated.

The Voters Did Not Vote for This

These are just a few short illustrations that speak for themselves about the character of the people who consider themselves to be ministers with knowledge and competence at any time and anywhere. On the other hand, this can be understood as a pure desire to hold on to power.

Of course, this does not mean that this government cannot be successful in its work. There are plenty of examples in history of a mediocre government succeeding in completing its mandate with solid results, and even more than that. However, the Macedonian public did not expect the electoral victory to produce a mediocre government putting party and personal interests above all else.

According to the general opinion in the republic, the government was formed of individuals who are not competent for the positions that they occupy and the whole government, in the opinion of many analysts, does not inspire full and absolute confidence, let alone security. However, the government is what it is. The prime minister and his cabinet have accepted the great responsibility and the risk in resolving extremely important questions and problems that the state will be faced with in the future.

The government's incompetence and the lack of confidence in it can be compensated by this cabinet only if it copes with all the problems and if it has more appropriate feelings for the accomplishment of strategic and state interests, but first of all for the interests of the citizens on political and economic matters. It is perfectly clear that the government's results will not be measured by demagogic speeches, promises, or empty declarations, but by deeds and successful solutions to all the problems, and this is what the voters voted for.

One of the most important things, if not the most important, is to implement the reforms. If this government does not live up to the public's confidence that it

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will be energetic in its reforms, nothing will be left of it. Regardless of all the consequences that may arise, and they are certain to appear in such historic processes, the government will endure as long as it itself keeps the reforms on course. The reforms are the only chance for the new government to restore the confidence that was lost at the very beginning of its term of office.

The government has turned the public's attention to purely political questions, such as the opening of the ethnic university in Tetovo and a number of other incidents in interethnic relations, with the aim of avoiding the key and hot problems of the moment, such as the difficulties in the economy. The economic collapse is obvious and can be seen every day in front of the Assembly of the Republic of Macedonia; it is the most difficult test that the Macedonian Government has to pass. And it will not have to be passed only by the 20 ministers, but also by the whole executive that is in the hands of the four political parties.

The situation in all the post-communist countries demonstrates that disturbed economic trends are the most dangerous enemy of democracy. On the other hand, in the so-called countries in transition, where the transformation is occurring at a faster pace, where production is beginning to exist, where the economic trends have faster dynamics, and where the states are governed by laws, it is much easier to resolve interethnic relations and extremists remain on the margins of political life.

Statistics Show 'Constantly Rising' Unemployment

AU1001145195 Skopje NOVA MAKEDONIJA in Macedonian 5 Jan 95 pp 1-2

[Report by K. Cangova: "Workers Are Fired—Administrators Are Employed"]

[FBIS Translated Text] Over the last three years the number of those employed has been constantly falling in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia]. A statistical institution has announced that last year there were 397,542 workers in state, miscellaneous, collective, and private companies in our state, and compared with the year before, when there were 421,028, this represents a 5.6-percent reduction in employment. In 1992 there were 446,117 employed. But this general statistical report on employment takes on a completely different dimension if separate statistics are viewed for productive and nonproductive activities. In the sphere of production—industry and mining, agriculture and fishing, forestry, water supply, civil engineering, transport and communications, trade, hotel services and tourism, handicraft and personal services, housing and public works, financial and technical services, as well as certain other services—the numbers of workers have fallen across the board compared with 1993 and 1992. Average employment in the sphere of production last year, according to the figures of the Republican Department for Statistics, was 312,905, 336,801 in 1993, and 361,405 in 1992. There is a major reduction in the commercial field, where there were 30,985 workers last year; 39,509 in 1993; and 45,209 in 1992.

While there is a constant reduction of workers in the sphere of production as a result of company liquidations, there is growth in the number of workers employed in nonproductive capacities, that is in the civil service. In 1993 there were 84,227 employed in the nonproduction sphere, and 84,637 last year (410 more). Actually, this average figure is a result of new posts in education, science, culture, and information, where there were 35,111 employed last year, compared with 34,781 in 1993, as well as in social and political organizations and self-management communities of interest, where the number of those employed rose by 200 in a year. In 1993 there were 15,167 employed in the administration, and a year later this had risen to 15,364. It was no accident that this year's budget provides 3-5 percent more for the newly employed than the previous one. If there is a decline in employment in the nonproduction sphere, this can only be in the health and social security area. Actually, assessments here indicate that in this nonproduction sphere there were 34,144 employed last year, compared with 34,261 the year before.

According to some illustrative trends, the Department of Statistics thinks that the greatest fall in employment in the sphere of production will occur in the following areas: In trade by 21.6 percent, in handicraft and personal services by 9.1 percent, in civil engineering by 8.4 percent, and in hotel services and tourism by 8.3 percent. In the nonproduction sphere, a reduction of the work force is expected in the health and social security area.

As far as the number of those looking for work is concerned, it will tend to rise, and thus it has been estimated it stood at 185,468 last year, 6.1 percent more than the previous year. It is sufficient to mention the indicators for 1993 and 1992, when there were 174,848 and 172,089 registered as unemployed, to conclude that unemployment is constantly rising. The number of those that had worked before will rise by 7.4 percent, while the number of those looking for their first job will be 5.7 percent more. According to their education, the semiskilled, the unskilled, and those with only elementary education form the largest group—up to 49.3 percent. The percentage of those with a higher education who are looking for work is 3.9.

[Box p 2]

The Largest Number of Companies—Private

There were 72,720 registered companies in the Republic of Macedonia by the end of last year. It was noted that this figure is 24.8 percent up on the situation on 31 December 1993. Ninety-five percent of the total are private, of which 63.5 percent are trading companies. The companies are mainly—96.4 percent—founded on and involved with domestic capital .

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Trade Unionists Threaten Strikes in New Year

AU1001180395 Skopje NOVA MAKEDONIJA in Macedonian 7 Jan 95 p 17

[Commentary by Svetlana Vukcevic: "A Year of Protests"]

[FBIS Translated Text] We entered the new year with problems that have been piling up for years, particularly during the last year. We inherited 200,000 unemployed without real prospects for finding their first job, plus 25,000 workers facing layoffs and 140,000 employed—one quarter of the total number of employed—who are paid with a delay of two, three, five, and even 10 months (if they are paid at all). This "company" of people that do not have any prospects for now will this year be joined by 18,000 more workers facing layoffs from the 23 companies that are not making any profit; and the state will be the one to take care of them. In addition, the economy is totally disturbed and being on the crossroads of two economic systems, it cannot be a basis for solving these problems.

A General Strike

All this projects a difficult year, even for the biggest optimists. The violent beginning of the second half of the 90's was actually marked by strikes before the new year. The trade unionists also announced a difficult year. "There will be riots, we shall organize a general strike," said the president of the Confederation of Trade Unions of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] Zivko Tolevski. They will not do it provided there is a cooperation between the government and the trade unions on issues of particular importance for the workers. At this stage they demand that the workers facing redundancy should be taken care of, as well as those that are working and are not paid.

The government will provide for the tranquility necessary to accomplish a projected gradual healing of the wounds of the economy only through a three party agreement among the government, the trade unions, and the Chamber of Commerce, according to what the leader of the trade unions announced in a very angry tone.

This year huge problems are expected when workers will be fired, as it was announced. The workers are aware that there is a great redundancy of workers in Macedonia and that this problem will not be eliminated if the economy is not transformed, and this is a long-term process. This is clear, but the question that the workers who protested in front of the house of parliament asked last week was: How will those that will remain jobless be taken care of? In the first wave of the project for the revitalization of the 23 companies that are not making any profit, it has been projected that 18,000 workers will face redundancy. The government has projected to use money from the budget to take care of these workers. Foreign institutions provided $38.89 million, but the workers want to know whether the money that they will get will be enough for them to begin a new life or to continue with the old decent one.

There is another aspect of the problem of redundancy that can lead to an explosion of dissatisfaction. Everybody asks: "Who will put the bell?" Here they refer to the story about the mice who knew that the only way that they could know that the cat was approaching was to place a bell around the cat's tail, but they could not decide which one of them should do it. Who will be brave enough to say: "This and that worker, by this and that name, does not work in this company starting from tomorrow." The managers of companies that have thousands of workers facing redundancy do not want to be the ones to decide. The workers demand a more appropriate future from those that will call out their names. This is why we can expect a storm of dissatisfaction in the future. That will be the time when the numbers will be transformed into names. The trade unions warn about this and they ask for a dialogue with the government. "We must reach an agreement or we shall not allow any worker to be left without a job. There will be no workers facing redundancy if we do not find an appropriate solution for their social security. The workers are not numbers and we shall not allow a law on companies that are not making profit to be adopted if we, the trade unionists, are not included in this process," Tolevski said.

Trade Unionist Ultimatum

The Macedonian Confederation of Trade Unions is definitely strict in not allowing the government to solve the problems the way it wants, particularly in the process of privatization. By assessing that the law on privatization has not given any efficient results so far, it has announced a general strike of the workers in the state if there are no interventions in this law in favor of the workers. According to what Tolevski said, the way it is now, the privatization represents the "biggest plunder that has been legalized in the state," and the "state is the thief."

This year we can also expect, according to some announcements of the trade unionists, big protests by the workers because of irregular payments of wages, social security payments, and so on, the way the constitution guarantees them. The trade unionists placed an ultimatum here—either an agreement on the workers that are not paid will be reached, or they will use all means in the trade unionist struggle, even those that are treated as extreme. In this context they have started negotiations with the Chamber of Commerce of Macedonia for defining the state minimum wage and for a guaranteed salary for this category of workers that will have to be provided by the state. However, they also expect the government to be included in these negotiations.

These are very serious threats, particularly now that we need a consensus on peace in the state. After so many years of accusations against the trade unions that were

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called "communist" they have now announced a fierce and devilish course. Are they enough powerful to do this? How many workers will hear this call? The trade unions themselves are not sure about this. On one occasion Tolevski said: "We shall organize a general strike and I hope that we shall gather at least a few workers." They will certainly gather enough workers knowing the rising social tensions. The government will need professionalism and wisdom to solve the problems of the state, and this time managers of big companies share the trade unionists' opinion that the government must be attacked.

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Jansa on Government Instability, No Foreign Policy

AU1001181595 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 10 Jan 95

[FBIS Translated Text] The outcome of the parliamentary vote on constitutional charges against the prime minister and interpellation in the work of the defense minister will depend primarily on the situation within the government coalition. As the coalition is primarily preoccupied with itself and the government is not performing its tasks as it should, this is already causing us harm in the domestic and international spheres. This is the opinion of the Social Democratic Party [SDSS] as presented at the morning news conference given by its president, Janez Jansa. Sandi Frelih reports:

[Begin Frelih recording] The events in Chechnya and the use of the army testify to Russia's determination to protect its interests by all means available. The West reacted to this situation by announcing NATO's opening to the East, which could affect Slovenia's position. Our integration into NATO also depends on the negotiations with the European Union, Jansa emphasized and added that Croatia had signed the defense cooperation agreement with the United States before Slovenia.

If NATO opens to the East without Slovenia, we shall be pushed back into the Balkan cauldron, which is something the Social Democrats was warning against a year and a half ago.

Slovenia currently lacks a foreign policy that would improve its position. Prime minister and acting foreign minister Janez Drnovsek and the government coalition have long been engaged merely on the question of who will be the new foreign minister.

The instability of the government coalition, which is preoccupied with itself instead of resolving problems, is generating an instable political situation in Jansa's assessment. Such a situation will continue because the political tug-of-war between the Christian Democrats and the Liberal Democracy will not result in any crucial decisions in the future.

The SDSS president assessed that turning down the interpellation in the work of Defense Minister Kacin would mean that all methods are allowed in the work of state offices. Regarding the constitutional charges against Prime Minister Drnovsek, Jansa pointed out a deficient procedure in the State Chamber and the great powers held by the Constitutional Court.

Drnovsek: FM No Longer in Christians' Domain

AU1101072195 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 10 Jan 95

[FBIS Translated Excerpt] At an afternoon meeting with the Liberal Democracy [LDS] deputies, ministers, and party officials, Dr. Janez Drnovsek, prime minister and head of the LDS, advocated the continuation of negotiations about the government coalition and its program with the Christian Democrats. At the same time, Drnovsek announced that he will propose the appointment of the new foreign minister at the January parliament session and said that Mojca Drcar Murko remains the most serious candidate for this post. Janez Drnovsek also spoke to the correspondents about the contents of today's consultations. Sandi Frelih reports:

[Begin recording] [Drnovsek] The LDS, therefore, remains [word indistinct] and also advocates that the Foreign Ministry is no longer within the Christian Democratic domain within the government. It favors a change, namely, that this department—foreign policy—be taken over by the LDS, that is, that we find a suitable solution [words indistinct] I will propose as the prime minister.

[Frelih] What does he offer to the Christian Democrats?

[Drnovsek] Talks about this are under way. The negotiating teams have met and will continue their work. At the moment, I would not speak concretely about it. They are not inclined to any sort of leveling within the coalition, that is, that from various options that are on the table we find the one that would also satisfy the other side, our partners, so that we could continue our joint work as a triple coalition, that is, together with the Christian Democrats and the United List.

[Frelih] Mr. Prime Minister, is there any point in negotiations, bearing in mind that the Christian Democrats have been leaving the government for the last 10 months and that the government has, at least lately, been primarily preoccupied with itself?

[Drnovsek] I think that the government is functioning pretty well, you can see this yourself. The economic results are rather good, there are plenty of foreign affairs' activities, too. Therefore, the government is functioning, and hitherto tensions within the coalition, if I may call them so, have had no influence on the government's work. On the contrary, ministers from different parties have been working professionally and well in the government.

[Frelih] What do you expect from the interpellation [in the work of Defense Minister Kacin], the constitutional charges against him, and the parliamentary debate?

[Drnovsek] This, too, was the subject of today's debate. The LDS is ready to route these accusations and initiatives of the opposition. Regarding the constitutional charges, it is perfectly clear that there are no legal grounds or reasons for it, and we are convinced that this matter will not succeed. We are also ready to rout any other initiatives, that is, also regarding the interpellation in the work of the defense minister. [passage omitted] [end recording]

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Peterle: Need For Agreement on Foreign Policy

AU1101072295 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 10 Jan 95

[Statement by Lojze Peterle, president of the Slovene Christian Democrats, for Radio Slovenia after a closed meeting of party's executive committee, in Ljubljana on 10 January—recorded]

[FBIS Translated Text] The Executive Committee of the Slovene Christian Democrats [SKD] today discussed relations within the government coalition and acquainted itself with results of the talks by the negotiating teams of both parties. Here we acknowledged yesterday's joint conclusion that the coalition agreement is still valid. For this reason, the SKD expects that the coalition partner, the LDS [Liberal democracy], and also its president [Janez Drnovsek] who is also prime minister, will act in a way that is stipulated in the agreement, even in the case of the foreign minister, regardless of some agreements that have occurred in the past [sentence as heard]. That is, our party insists on the candidate it has proposed in connection with one of the prime minister's letters and who, we are convinced, has all the necessary references.

I would like to add here that we perceive a minister, any minister and not only this one, as a primarily political persona. We do not merely see the expertise, which has often been used in demagogic debates about these matters recently. We need a politician who will represent Slovenia abroad, while diplomats whom we have appointed at home and abroad can take more than good care of the expertise.

The executive committee agreed that the negotiating teams will continue working on coordination of the program guidelines for the continuation of the coalition. However, in doing so, we first wish to discuss foreign policy, where the party's position is very clear. We are only willing to support a policy that leads to good neighboring relations, after all the tensions that have emerged, and toward Slovenia's clear integration and rapproachment with the European Union. If an agreement can be reached in this direction, then we see grounds for further negotiations on other program issues that, after two years of the coalition's work, need altering or polishing for its possible continuation.

Drago Fers Appointed Intelligence Agency Director

AU0501181295 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Jan 95

[FBIS Translated Text] At its session today, the Government of Slovenia appointed Drago Fers director of the Slovene Intelligence and Security Agency. Drago Fers has been performing this duty until now as well, albeit as acting director.

Defense Ministry's Legal Basis for Evictions

95BA0066A Maribor VECER in Slovene 23 Nov 94 p 4

[Communique issued by the Slovene Defense Ministry; place and date not given]

[FBIS Translated Text] After the promulgation of the Constitutional law on Implementation of the Fundamental Constitutional Document on the Autonomy and Independence of the Republic of Slovenia (URADNI LIST RS, Vol. I, 1-6/91 of 25 June 1991), the federal authorities and commands, units, and institutions of the Yugoslav People's Army [JNA] on the territory of the Republic of Slovenia could no longer control movable property and real estate, including former military apartments. Since that time the control of that real estate (including apartments) has been under the jurisdiction of the Republic of Slovenia's Defense Ministry.

In spite of that, unauthorized JNA bodies, after 25 June 1991, continued to allocate and exchange military apartments, as a result of which the Defense Ministry, through the Slovene Republic's Legal Defender's Office, submitted numerous complaints about parties illegally moved into those apartments. Courts at various levels have discussed and already issued approximately 400 legally binding decrees on vacating or returning larger apartments and moving into smaller apartments.

Because the parties that have illegally moved in, as a rule, are not abiding by the legally binding court decrees, the Defense Ministry (through the Public Legal Defender's Office of the Republic of Slovenia), in 50 cases, has already proposed that the courts enforce the legally binding decrees in accordance with appropriate provisions of the Law on Executive Procedure.

Fifteen evictions of illegal occupants of apartments were thus conducted by court officials. The evictions are being conducted by the courts in accordance with the Law on Executive Procedure.

To date, the Defense Ministry's Housing Commission has already recorded about 300 housing problems of employees of the Defense Ministry and the Slovene Army, but unfortunately the Defense Ministry does not have the funds to purchase new apartments.

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Federal

FRY, Russia Exchange Most-Favored-Nation Status

AU1001200195 Belgrade POLITIKA in Serbo-Croatian 5 Jan 95 p 1

[BETA report: "FRY and Russia Grant Each Other Most-Favored-Nation Status"]

[FBIS Translated Text] The Yugoslav Government yesterday proposed for adoption in the Federal Assembly an Agreement on Yugoslav-Russian Trade and Economic Cooperation that was signed during a visit of Deputy Federal Prime Minister Nikola Sainovic to Moscow last August.

The Assembly also received for ratification an agreement of the Yugoslav and Russian Governments about the formation of an international committee for trade, economic, scientific, and technical cooperation.

According to the five-year trade and economic cooperation agreement, the FRY and the Russian Federation are granting each other most-favored-nation status.

This status will not apply to the privileges that the two counties granted or can grant to their neighboring countries in order to boost bilateral trade and with which they signed agreements on a customs union or a free trade zone.

The most-favored-nation status also does not apply to the privileges that the two countries granted or can grant to the CIS members that earlier formed a part of the USSR or that the Yugoslav side granted or can grant to the states that were earlier a part of the SFRY.

The import and export of goods between FRY and the Russian Federation will, according to the agreement, be realized in accordance with the current prices on the main international markets, while all payments will be executed in convertible currencies.

The two sides bind themselves to guarantee the free transit of goods originating from the FRY and the Russian Federation.

With the FRY's strategic resolution, the Russian Federation has been granted priority treatment as one of the most significant foreign trade partners, it is written in an explanation of the agreement that forms the legal framework for the furthering and expansion of the economic cooperation between the FRY and the Russian Federation.

Problems Encountered in Printing Newspapers

LD1001171195 Belgrade TANJUG Domestic Service in Serbo-Croatian 1426 GMT 10 Jan 95

[FBIS Translated Text] Belgrade, 10 Jan (TANJUG)—The former managing board of the Borba shareholders' company explained at a news conference today that the latest—13th—issue of the special edition of BORBA had not been published because of a breakdown in the print shop. They said that tomorrow's issue will be printed "somewhere else" and will appear on newsstands.

Asked about the publishing of NASA BORBA, the former director of BORBA, Dusan Mijic, said that the relevant ministry had been informed about the intention to start publishing it on 30 December. He added that, unless the authorities respond within 15 days, he will work on the premise that there are no obstacles to the printing of the new daily.

He specified that, in that event, the first issue of NASA BORBA will appear in print on 16 January.

Number of Private Firms Declining

95BA0067C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Nov 94 p 19

[Article by Z. Mihic: "Curbing Entrepreneurship"]

[FBIS Translated Text] *The liquidation of 7,000 private enterprises in Belgrade means the end of Yugoslavia's entrepreneurial boom; of the 536 cases of the investment of foreign capital in Yugoslavia, 529 were investments in private enterprises, and not a single one was in a socialized enterprise.*

Five years after the introduction of liberal laws on enterprises in Yugoslavia, today, with a figure of about 200,000 private enterprises, it can be said that the process of pioneering privatization has come to an end. There are reliable statistical indicators that this year the establishment of new private enterprises has virtually stopped, and requests for the liquidation of existing ones indicate a large purge and reduction of this entrepreneurial population.

A small newspaper reported last week that 7,657 requests for the liquidation of private enterprises had been initiated in the Belgrade Economic Court this year. The report considerably disrupted the idyllic image of privatization's successes in Yugoslavia. Even Serbia's minister for entrepreneurs, Radoje Djukic, doubted the credibility of that fact (we checked and it is true), and at the end of his commentary, he concluded that there is nothing wrong with the statistics, if one knows that about 100,000 private enterprises in Yugoslavia exist only fictitiously, on paper, in the court registry.

In accordance with the principle "nothing can surprise us," the politicians now are talking about a natural phenomenon of "saturation" in the new entrepreneur sector; this saturation, however, is occurring as a consequence of quite specific events in the tax, legislative, and financial systems.

At the end of the "first five-year plan" for privatization in Yugoslavia, the numerical situation, broken down by years, looks like an exponential curve: In 1990, 20,000 private enterprises were founded, in 1991 there were

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42,000 new ones, and the following year, in 1992, there were 111,750! This trend continued in 1993, and thus at the end of last year there were 184,700 registered private enterprises in Yugoslavia. According to the latest data from the Federal Statistics Institute, as of 1 October 1994 there were 199,957 private enterprises in Yugoslavia. This includes all forms of private ownership, regardless of the type of enterprise (in any case, there are about 159,000 purely private enterprises with one owner).

In the middle of this year, at the Conference on Private Business at the Yugoslav Chamber of Commerce, the fact was stated that a semiannual account of business results was submitted by only 57,769 private enterprises, which is approximately one-third of those that were required to send one to the Yugoslav Service for Payment Transactions.

In the Belgrade area, where one-third of Yugoslavia's private business potential is concentrated, the slowing process is assuming quite visible outlines. In comparison with last year, when 560 new private enterprises began life every month, this year only 31 of them were opened in the first six months, i.e., five each month, or 100 times fewer than last year. When one adds to this figure the 7,657 requests for the liquidation of enterprises that were submitted this year to the District Economic Court in Belgrade, things are clear. The curve of the growth in the number of private enterprises will now turn in the opposite direction, downward. Where will it stop? That is a question of the quality of the newly established firms, but also a question of the scope of the new escape by businessmen into the sector of the gray, hidden economy, which is beyond the state's control.

Clearly, among the 200,000 registered private firms there are also a considerable number whose owners never succeeded in starting their envisioned business. They were left with a seal, name, and court registration, waiting for an opportunity to finally begin work. Nevertheless, it must be noted that the collapse of the former Yugoslavia, the war, the crisis, and the hopelessness of the socialized sector caused great enthusiasm and initiative among ordinary people—to found their own enterprise, enter private business, and save their families from economic disaster. Now, however, it is precisely that elan that is having its wings clipped, and people are losing faith in the system and in their own initiative.

Change in Exchange Rate

The first signals that the state would no longer tolerate the anarchic development of the private sector came last year, in the middle of the summer, when a law was passed prohibiting employees in socialized firms from establishing private enterprises, and threatening their dismissal. The passage of that law was also a warning that a sort of differentiation of entrepreneurs was beginning. The second blow, which has already knocked many new private businessmen out of the saddle, was already too much for people who had entered private business with 50 German marks for a firm. Hyperinflation further accelerated the concealment of the operations of private entrepreneurs and their migration from payment transactions into the gray economy. And then the monetary stabilization program came.

Most of the private enterprises in Yugoslavia have been registered as enterprises with full liability, and under the current regulations, whether they have been in operation or not, they are required to pay pension and social welfare contributions of 1,200 dinars a year.

The fact is that taxes and contributions on the wages of employees in the private sector this year, through the actions of the Serbian Ministry of Enterprise, have been cut almost in half, but those taxes are still high, and so employment in this sector is still a hidden quantity. A private businessman has an obligation to pay 113 dinars to the state for 100 dinars in wages for a worker.

In Avramovic's stabilization program, loans from the Serbian monetary authorities have bypassed private businessmen, as "suspect persons," or third- or fourth-class businessmen. For example, only 8 percent (17.2 million dinars) of the loans from Beobank, which approved 160 million dinars for new investments, went into the private sector, even though 59 percent of the Belgrade economy's profits for the first six months of this year were earned precisely by private enterprises.

The approval of a quota for importing semifinished products, and access to foreign exchange from the National Bank of Yugoslavia for that purpose, all benefited socialized enterprises rather than private ones.

On the other hand, private businessmen served as the official scapegoats for all attempts to call into question Avramovic's stabilization program—as if the private sector in this country were supposedly responsible for lines of credit and monetary authority.

For all of these years, one indicator, the data on the investment of foreign capital in Yugoslavia, nevertheless throws quite a clear light on the fact of whom foreign investors have confidence in in this country. Of the 536 enterprises in which foreign capital has been invested in Yugoslavia, according to the data of the Federal Statistics Institute, almost all (529) are privately owned, and none is socially owned.

The structure of private enterprise, broken down by industries, shows that the "trading enterprise" is still the dominant category of private businessmen (129,367 enterprises). Adapting to an economic system of insecurity, investments are made where the turnover is shortest and where there is the least risk of failure.

Finally, perhaps the best conclusion on this phenomenon has been given by the minister for enterprise, himself a private businessman, Radoje Djukic, who says that this stagnation serves the search for new quality, and announces the adoption of a new Privatization Law. In any case, one epoch in the period of liberalization has

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reached its end. The explosion of private enterprise on Yugoslav territory, in the end, only happened in the figures on newly established enterprises; the evolution will be arduous and slow.

Serbia

Milosevic Receives Visiting OSCE Group

LD1001150195 Belgrade TANJUG Domestic Service in Serbo-Croatian 1346 GMT 10 Jan 95

[FBIS Translated Text] Belgrade, 10 Jan (TANJUG)—Serbian Republic President Slobodan Milosevic today received a delegation of the parliamentary assembly of the Organization for Security and Cooperation in Europe [OSCE], headed by Frank Swaelen, assembly chairman and chairman of the Belgian Senate.

President Milosevic expressed his satisfaction at the visit by the high-ranking OSCE officials, assessing it as the beginning of the normalization of relations between our country and this European organization, the Serbian President's office announced. The president pointed out that the Federal Republic of Yugoslavia's [FRY] full and equitable participation in the work of the OSCE is not only an unavoidable matter of political principle, but also an issue of mutual interest.

Our country, President Milosevic stressed, is not responsible for the temporary severance of ties resulting from the unfounded accusations that our country committed aggression against the territory of the former Bosnia-Herzegovina where, as is well known, a civil war is being waged, the statement reads.

The imposed suspension of our country from the work of this organization, it was said in today's talks, reflects a one-sided approach to a founding member of the CSCE, whose peace-loving policy and steadfast efforts to end the Yugoslav crisis by political means are a genuine contribution to the safeguarding of peace and stability in the wider Balkan region.

The FRY is in favor of equitable cooperation betwen the world's states and peoples, as well as integration processes, which should be aimed at their accelerated economic and cultural development, and at removing causes for confrontation. It is therefore logical, the statement concludes, that the FRY should be granted the opportunity to resume its equal participation in the work of the OSCE.

The meeting was also attended by Yugoslav Foreign Minister Vladislav Jovanovic.

OSCE Official Comments

LD1001160795 Belgrade TANJUG in English 1559 GMT 10 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 10 (TANJUG)—Parliamentary Assembly President of the Organization for Security and Cooperation in Europe Frank Swaelen on Tuesday said the OSCE mission which was ending a visit to Yugoslavia had not achieved the expected results.

Swaelen told a news conference that the visit of the OSCE delegation had two goals—to re-establish dialogue between the international community and Yugoslavia and underscore OSCE's concern for human rights, especially in Kosovo and Vojvodina (Serbia's two provinces) and in Sandzak (a region in Yugoslavia).

Swaelen said it was the opinion of the OSCE that its missions should again be set up in Kosovo, Vojvodina and Sandzak. Swealen said that Yugoslav authorities were setting as a pre-condition Yugoslavia's return to the OSCE as a full-fledged member, which he said required a consensus of all 52 OSCE members, each of which had a right to veto.

Milosevic, Owen, Stoltenberg Discuss Peace

LD1001192495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1837 GMT 10 Jan 95

[FBIS Translated Text] Belgrade, 10 Jan (TANJUG)—Serbian Republic President Slobodan Milosevic received this evening the cochairmen of the Geneva conference, Thorvald Stoltenberg and David Owen, who have arrived in Belgrade.

The exchange of views between President Milosevic and the two cochairmen of the conference on the former Yugoslavia focused on issues connected with the furthering of the peace process, a brief statement from the office of the Serbian president says.

Serbian Peace Proposal Objective

95P20350

[FBIS Media Note] The 16 December issue of the Belgrade daily BORBA quotes Momcilo Krajisnik, president of the Assembly of the self- proclaimed Serbian state in Bosnia-Herzegovina, who argued that "the essential idea" of Bosnian Serb leader Radovan Karadzic's request to former U.S. President Jimmy Carter to act as peace mediator, was "to achieve the equal treatment of all three sides in the conflict in the former Bosnia and Herzegovina." Krajisnik, in an article signed by B.D. titled "Objective: To Start Peace Negotiations" went on to note that the peace process had reached the point where a new initiative was needed to resoive the crisis. The Serbs had decided to invite "a high-level American official" to come and "hear their reasoning." They had done this "in the hope that America would then take a more positive approach to the problem of the former Bosnia and Herzegovina."

In an article by S.N.A. in the same issue titled "Mediator Sought Between Carter, Kissinger, and Gaydar," BORBA stated that it has learned from "certain sources" close to the Serbian Democratic Party that neither the

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idea of inviting Jimmy Carter nor the five-point "concession" offered by Karadzic were new. The Serbian side had offered the same concessions earlier, according to the article, but the message failed to reach the media because of the Serbs' "diplomatic isolation." The same sources, BORBA said, maintain that the Serbian side had previously made a "definite determination" to conduct negotiations "primarily with U.S. representatives" because "Americans obviously play the main role in the peace process" and because the United States has the greatest influence on the United Nations, NATO, and the Muslim side.

According to BORBA there were three candidates for mediator. "Certain Jewish groups" had suggested to Karadzic that Henry Kissinger should be the main mediator, while Jimmy Carter was originally proposed by "a Serbian professor, philosopher, and dissident" who has been teaching at various universities in the United States. The Serbian Democratic Party approved of Carter but felt that former Yeltsin ally Yegor Gaydar, leader of the Russia's Choice Party, "might also be able to play a positive role as mediator."

New Coal Mine To Open in Kolubara

95BA0067B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 7 Nov 94 p 17

[Article by D. Nedeljkovic: "New Mine in Kolubara"

[FBIS Translated Text] *Why is a mine being opened when there is no electric power plant? Who ruined the richest enterprise in Serbia? Success of domestic intelligence.*

The new strip mine of the Kolubara mining basin, Tamnava-Western Field, will start up in a few days with ground excavation in order to start coal production at the beginning of spring. In the first phase, the annual capacity of the new mine will be 6 million tonnes, and when the mine is fully opened, it will produce 12 million tonnes of coal a year. Tamnava-Western Field is a deposit that covers 21 square km, and the average ratio of debris to coal is 2:1.

The opening of this mine has been planned for a special purpose: supplying the new Kolubara B electric power plant. The implementation began 10 years ago, so far almost $300 million has been invested in the mine and the electric power plant, and then, with the imposition of sanctions, everything stopped. The World Bank approved a loan of $300 million for this project ($134 million for the mine), but the loan did not even begin to be used. No one knows for sure whether the construction of the thermoelectric power plant will be resumed, or when, although the investors hope that the work will continue as soon as the sanctions cease. The question that logically follows is why the mine is being opened when there is no electric power plant that will use the coal. The answer requires a slightly extensive explanation.

Last year 24.6 million tons of coal were excavated in the Kolubara mining basin's strip mines, from which 70 percent of the total electricity (from thermoelectric installations) was produced through processing at thermoelectric power plants. Serbia's energy base consequently lies in these strip mines. The authorities, however, through an absurd pricing policy for coal and electricity, seem to be deliberately undermining and destroying that base; coal, whose value on the market is $20 per ton, was "sold" to the thermoelectric power plants at the end of last year for 15 pfennigs! This year the ratio has been "improved": A ton of coal is being sold for 5.2 dinars. This year Kolubara will have total earnings of 102.5 million dinars (for 22.4 million tons of coal), but the production costs are 250 million dinars. Since that "price policy" did not start with the sanctions, but a year or so earlier, Serbia's energy base has been completely crippled, and its biggest and richest enterprise has been turned into a loss-producer.

Last year Kolubara's "earnings" covered 3.7 percent of its expenditures. The inventories of essential raw materials, other materials, and spare parts have fallen below technical-technological standards, and shippers and suppliers have not been paid anything (except in barter arrangements for coal), and the spreading and removal of debris in the strip mines has been stopped, because there was no money to buy land. Production has been maintained, thanks to reserves discovered in previous years, but they have also been consumed to a dangerous level. Thus, in 1990 Kolubara had 45 million tons of discovered coal, but at the beginning of this year the reserves had been reduced to 15 million tons. The overall state of the equipment at the strip mines, which has not been repaired or replaced for years, is also seriously jeopardizing the production of coal and electricity, and so it was necessary to find a replacement and supplement, and to activate the last reserve.

Domestic BTO System

If the reasons for opening the new strip mine are gloomy and devastating to the owner of the company, the very act of creating a BTO [dredge-belt-depositor] system and activating the mine is a brighter part of the story. According to the investment project that the World Bank accepted, the mine should cost $444 million. So far $106 million has been invested, and in order to start coal production something more is needed, i.e., a total of about $230 million. A foreign loan of $22 million has been used for this (it has already come due for repayment, but the sanctions are in effect).

The BTO system for the Tamnava-Western Field strip mine was contracted with the German firms Orenstein-Kopel and Takraf (in cooperation with the domestic firms Kolubara-Metal, MIN [Mechanical Engineering Works] in Nis, Gosa in Smederevska Palanka, ILR [Ivo Lola Ribar] in Zeleznik, and Prim in Kostolac). The large dredges, heavy equipment, and cars were in the assembly stage when the sanctions were announced, and

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the foreign experts, along with all the documentation, abandoned the job. The domestic producers and experts were virtually left with their hands tied. If there has ever been any benefit from the sanctions, it was in the case of the assembly of the BTO system for the new mine. "Domestic intelligence" had never before put together that kind of system, and without the technical documentation it seemed impossible. A team of top-level experts was created, however; an enterprise for the development and design of rotary dredges was established, and the job was successfully completed. Not only did the domestic experts do something that they had not previously ventured, but in some better days they will have references for future jobs, at both domestic and foreign mines.

The economic dimension of this job subsequently shows the correctness of the overall commitment (considerably before our international isolation) to rely on domestic industry and domestic experts in building and equipping energy installations. The employment of foreign experts alone for the assembly of the BTO system would have cost the investor 1.3 million German marks, while the domestic ones were paid 180,000 dinars. Perhaps that fact also shows something that is not exactly praiseworthy—that "domestic intelligence" is miserably paid—but the investor probably would have been more generous if it had not been in a miserable financial situation itself.

Kosovo

Serb Police Continue To Arrest Ethnic Albanians

AU1001133595 Tirana TVSH Television Network in Albanian 1900 GMT 9 Jan 95

[Report by Leke Musolli by telephone from Pristina]

[FBIS Translated Text] All last year's methods of Serbian repression are being repeated this year, too. Reports from the field confirm that activists of political parties and institutions in Kosova continue to be targets of the Serbian police.

A report from Ferizaj, published by the Kosova Democratic Alliance [LDK] Information Commission, states that at approximately 1700 on Sunday [8 January], the police interrupted the regular LDK Assembly meeting in Nerodime e Eperme [Upper Nerodime] and arrested Assembly Chairman Shaban Rakaj and seven other activists.

Reports confirm that those arrested were held and maltreated for four consecutive hours at the police station, but were later released on condition that they report to the police station again. During the raid, the police seized the meeting's minutes and part of the documentation of the assembly.

Problems at customs houses and the frequent and unnecessary stopping of people in the street are other forms of the daily repression against Albanians. Apart from being mistreated, the citizens of Kosova are often being raided for no reason and with no legal basis.

The Kosova Information Center reports that on the passenger train between Skopje and Fushe Kosova, at the border crossing point of Valkov, Macedonian [The Former Yugoslav Republic of Macedonia] customs officials searched Afrim Burniku, Shukri Bala, and Sulejman Bunjevci from the Kacanik Commune, who were robbed of a considerable amount of foreign currency.

The Information Commission of the LDK sub-branch in Matican in Prishtina reports that Sait Rama, active military supervisor in the Prishtina barracks, was arrested several days ago for no apparent reason and, it is learned, he is currently in the military prison in Nis.

A report by the Council for the Defense of Human Rights and Freedoms in Gjilan confirms that last year the Serbian police raided 166 Albanian homes and maltreated 214 people in this commune, while 371 Albanians were summoned for interrogation in so-called information talks. The same report states that last year the Serbian finance police raided Albanian businessmen and citizens in this commune, seizing approximately 1 million German marks.

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